Report

OF THE

Bombay Chamber of Commerce

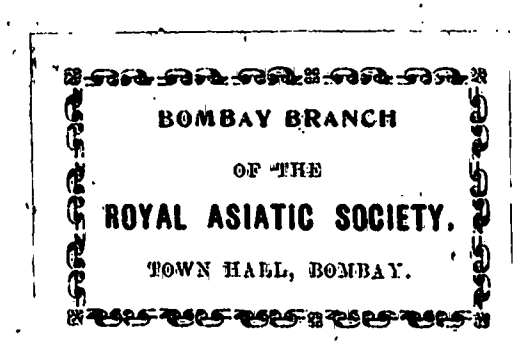
FOR THE YEAR 1937

(*Established 22nd September* 1836)

(*Incorporated 18th June* 1924)

00133617

BOMBAY
G. CLARIDGE AND CO., LTD.,
1938



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REPORT

OF THE

COMMITTEE

OF THE

Bombay Chamber of Commerce

133617

FOR THE YEAR 1937

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ESTABLISHED 22ND SEPTEMBER 1836.

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† Mr. G. J. H. Walls resigned his seat in April 1938 and Mr. A. P. Powles was appointed to serve in his stead.

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G. H. Cooke	1937
A. McIntosh	1938

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John Gordon	1873–84
David Watson (Acting).	1881–82
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Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

THE Annual General Meeting of Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 23rd March 1938, at 11-30 a.m. to transact the following business:—

1. To adopt the Report of the Committee of the Chamber for the year 1937.
2. To confirm the nomination of the members of the Committee of the Chamber for the year 1938-39 in accordance with the provisions of Article 37 (*g*).
3. To appoint Auditors of the Chamber's accounts for the year 1938 and to fix their remuneration.

And any other business that may be brought forward.

Mr. G. H. Cooke, President of the Chamber, presided and was supported by Mr. A. McIntosh (Vice-President), and Messrs. R. W. Bullock, W. M. Petrie, E. C. Reid, F. Stones, O.B.E., and G. J. H. Walls, members of the Committee.

Among those present were:—

His Excellency Sir Roger Lumley, G.C.I.E., D.L., Governor of Bombay; Mr. J. B. Irwin, Secretary to H. E. the Governor; Mr. P. N. Chandavarkar, Collector of Customs; Mr. T. E. Streatfield, I.C.S., Collector of Bombay; Mr. W. D. M. Clarke, H. M. Trade Commissioner; Captain H. L. Davis, R.I.N., J.P., the Principal Officer, Mercantile Marine Department, Bombay District; Mr. G. E. Bennett, M.SC., M.INST.C.E., M.I.MECH.E., Chairman, Bombay Port Trust; Mr. F. A. Borissow, Docks Manager, Bombay Port Trust; Capt. A. G. Kinch, D.S.O., Deputy Conservator, Bombay Port Trust Docks; the Chairman, Bombay Fire Insurance Association; the Chairman, Bombay Underwriters' Association; the President, Indian Merchants' Chamber; the Secretary, Indian Merchants' Chamber; the Consul for Germany; the Consul for Czechoslovakia;

the Editor, *Indian Textile Journal*; Mr. M. H. Kantawala, Ceylon Trade Commissioner for India; Mr. E. J. Gough, Hon. Secretary, European Association (Bombay Branch); Mr. H. R. Gollan, Australian National Travel Association.

The following members of the Chamber attended the meeting :—

Mr. R. Schneider ..	A. E. G. (India) Electric Co., Ltd.
,, G. A. H. Alexander..	G. A. H. Alexander.
,, L. A. Halsall ..	Anglo-Siam Corporation, Ltd.
,, Jal P. Eranee ..	Bell Russ & Co.
,, J. F. Macdonell ..	Bombay Co., Ltd.
Sir Ness Wadia, K.B.E., C.I.E.	Bombay Dyeing and Manufacturing Co., Ltd.
Mr. Neville N. Wadia ..	
,, A. S. Trollip ..	Bombay Electric Supply and Tramways Co., Ltd.
,, A. L. Guilford ..	
,, L. W. Boulter ..	Bombay Gas Co., Ltd.
,, J. P. Mehta	Bombay Steam Navigation Co., Ltd.
,, D. Moir	W. H. Brady & Co., Ltd.
,, R. L. Ferard ..	
,, G. O. Pike	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, G. P. Pakenham-Walsh	
,, R. C. Summerhayes..	
,, D. D. H. Thomas ..	
,, R. P. Smith	
,, D. J. C. Wallace ..	
,, R. C. Lawson ..	
,, D. W. Mullock ..	
,, E. Wilkinson ..	
,, J. E. Tomlinson ..	
,, P. M. Dowson ..	
,, J. F. Field	
,, W. R. G. Brew ..	
, E. G. Kennedy ..	

Mr. W. J. Burrows ..	W. J. Burrows.
,, O. Wuthrich ..	Ciba (India), Ltd.
,, H. L. Aspden ..	Courtaulds (India), Ltd.
,, R. D. Down ..	
,, A. J. Bebbington ..	Cox & Kings (Agents), Ltd.
,, K. A. Dubash ..	Ardeshir B. Cursetjee and Sons.
,, S. K. Chaudhuri ..	W. H. Deeth & Co.
,, C. P. Bramble ..	Drennan & Co.
,, C. S. Maclauchlan ..	Dunlop Rubber Co. (India), Ltd.
,, J. G. Vecqueray ..	English Electric Co., Ltd.
Capt. J. C. Richards ..	Ericson and Richards.
Mr. M. A. Fazulbhoy ..	Fazalbhoy, Ltd.
,, C. F. Morris ..	James Finlay & Co., Ltd.
,, G. E. Corey	Ford Motor Co. of India, Ltd.
,, E. A. Sully	
,, J. L. Dickie	Gillanders, Arbuthnot & Co.
,, W. L. Clement ..	Grahams Trading Co. (India), Ltd.
,, N. Bruce Macbeth ..	Guest, Keen, Williams, Ltd.
,, S. Fuchsmann ..	Havero Trading Co., Ltd.
,, A. Roehder	
,, W. Behrens	
,, R. Magener	
,, R. Seyd	
,, W. A. Bell	Imperial Chemical Industries (India), Ltd.
,, B. Humphreys ..	Imperial Tobacco Company of India, Ltd.
,, C. R. Palmer ..	International General Electric Co. (India), Ltd.
,, R. C. Lowndes ..	Killick Nixon & Co.
,, R. C. Giles	
,, W. W. Russell ..	
,, A. Rowland Jones ..	Kinematograph Renters' Society of India, Burma and Ceylon, Ltd.
,, O. Z. Steffens ..	Krupp Indian Trading Co., Ltd.

Sir John Abercrombie, KT., M.C.	Latham Abercrombie & Co., Ltd.
Mr. G. A. Faulkner ..	Lipton, Ltd.
,, A. K. G. Hogg ..	Mackinnon Mackenzie & Co.
,, W. Keay	
,, C. E. Leman ..	
,, J. E. Bain	
,, I. H. Anderson ..	
,, J. B. Craig	
,, S. Osborn	
,, W. E. Petrie ..	
,, Ramanlal G. Saraiya.	Narandas Rajaram & Co.
,, A. C. Hinrichs ..	Parke, Davis & Co.
,, H. W. Fieth ..	
,, A. S. Micrulachi ..	Ralli Bros., Ltd.
,, F. S. Woodcock ..	Richardson & Cruddas.
,, S. A. Schueder ..	Schering (India), Ltd.
,, C. U. Magnusson ..	S K F Ball Bearing Co., Ltd.
,, A. M. Ballingall ..	Spencer & Co., Ltd.
,, J. R. Spiers	Steel Bros. & Co., Ltd.
,, F. G. Russell ..	Tata Hydro-Electric Power Supply Co., Ltd.
,, F. H. French ..	Turner Morrison & Co., Ltd.
,, W. L. A. Radcliffe ..	
,, B. R. T. Greer ..	
,, F. C. Gray	
,, C. O. Fountain ..	
,, A. W. C. Brown ..	
,, J. Vonesch	Volkart Bros.
,, C. F. Buser	
,, A. Stiefel	
Sir Geoffrey Winterbotham, KT.	Wallace & Co.
Mr. W. G. Lely	
,, B. A. Thorstenson ..	Western India Match Co., Ltd.
,, S. R. Bhagat ..	Western India Oil Distributing Co., Ltd.
,, W. M. Martin ..	Wolverhampton Works Co., Ltd.

Mr. A. McCulloch ..	Imperial Bank of India.
,, J. D. Macgilvray ..	
,, A. P. Powles ..	Mercantile Bank of India, Ltd.
,, J. Wallace	National Bank of India, Ltd.
,, L. Randall	Atlas Assurance Co., Ltd.
,, A. D. Somerville ..	
,, H. F. Stackard ..	Commercial Union Assurance Co., Ltd.
,, C. R. C. Gardiner ..	New Zealand Insurance Co., Ltd.
,, A. S. Chadwick ..	Pearl Assurance Co., Ltd.
,, V. C. Wright ..	Royal Insurance Co., Ltd.
,, E. E. Trussell ..	South British Insurance Co., Ltd.
,, H. Chmaberlain ..	Sun Life Assurance Co. of Canada.
,, C. R. Agar	Yorkshire Insurance Co., Ltd.

Mr. C. H. Courthope-Munroe, Secretary, and Mr. H. Royal, M.B.E., V.D., Assistant Secretary of the Chamber.

The notice convening the meeting having been read, MR. G. H. COOKE, in opening the proceedings, said :—

Your Excellency and Gentlemen,—It is my honour and privilege to propose the adoption of the Report of the Committee of the Bombay Chamber of Commerce for the year 1937, and in rising to do so, it is my first pleasant duty to record how deeply we appreciate the presence here this morning of His Excellency the Governor. The personal contact with which we have been honoured by previous heads of the Administration of this Province, is a privilege on which we set great value, and we desire to express our gratitude to His Excellency to-day for lending distinction to our Meeting by his presence. I trust he will permit me to express the hope that this may prove to be the first of five occasions on which he will so honour us.

I wish also to extend a hearty welcome to our other guests, and to assure them that it is a great pleasure to us to see them here to-day.

The year which we have under review at this meeting has been a notable one in the Empire, in India, and in our own Province.

In the Empire the outstanding event has been the Coronation of Their Majesties the King-Emperor and Queen-Empress in May last, on which occasion a cable conveying the desire of the members of this Chamber to tender their humble duty and heartfelt wishes for a long and prosperous reign, was sent by your Committee for submission to Their Majesties.

In India we have seen the great constitutional changes provided under the Government of India Act taking shape in the form of Provincial Autonomy, and the Congress Party, after some delay, take over the responsibilities of office in no less than seven Provinces.

In our own Province, after reluctantly bidding farewell to the late Governor, His Excellency, The Lord Brabourne, who, I may say, has asked me to convey to the members of the Chamber to-day his good wishes for a prosperous year, we had the honour and the pleasure of extending to His Excellency Sir Roger Lumley, when he assumed his high office as Governor of this Province, a very cordial welcome, and of assuring him that he could at all times rely upon receiving the full and loyal support of this Chamber in the discharge of his office.

The year opened with every indication that we had at last shaken ourselves free of the trade depression which began in 1930 and that we might look forward to more settled and prosperous conditions. Prices of commodities were rising and international trade appeared to be expanding, in spite of the delicate political situation in Europe brought about by economic nationalism, whilst the necessity for defensive rearmament in the United Kingdom and other countries was providing employment and a demand for commodities on a scale which gave rise to more optimism than subsequent events have been able to justify. In

retrospect, however, I feel that we in India have more reason to congratulate ourselves that the year under review has been one of increased prosperity rather than that we should complain that all our high hopes have not been fulfilled. When we come to consider the grave international crises which have shaken the confidence of the world's markets time and again, and the great constitutional changes which have come about in this country, with little or no disturbance to economic conditions, we can, I think, be well satisfied with the results of the past year's trading.

I wish I could say the same about prospects for 1938. Unfortunately, there are already before us unmistakable signs of a general downward trend in trade in the shape of falling railway traffics, decreasing exports and lower prices for many essential commodities. I would like to be in a position to suggest to you that the set-back is only temporary, but for my own part I feel that unless the great trading nations of the world can free themselves from economic nationalism, and can submerge their desires for a direct balancing of bargains between one country and another, there can be no enduring increase in trade. Rather must we resign ourselves to less trade, a world poorer in development and much poorer in the standard of living of its inhabitants.

In Bombay it is evident that we will be well advised to be prepared to face less favourable trading conditions during 1938 than those which prevailed during 1937. The falling away in the export and price of raw cotton as a result of the Sino-Japanese conflict and world overproduction, is likely to affect the whole trade of the Port and Presidency to a most serious extent. I can only hope that more favourable conditions will develop, as the year progresses, and that when my successor comes to give an account of his stewardship next year he will be able to proclaim me a false prophet.

Turning now to the report you will see that your Committee have again been called upon to deal with matters

many and varied, and I have found some difficulty in selecting those which are likely to be of most interest to you in my review of the Chamber's activities during the past year.

Trade Agreements.

Of the two Trade Agreements to which reference is made in the Report, that with Great Britain is still under negotiation and we are hopeful that it will be brought to a conclusion satisfactory to both India and Britain within the next few months.

The negotiations for a modification of the Indo-Japanese Trade Agreement were brought to a satisfactory conclusion when in April last an agreement was reached between the Government of Japan and the Government of India which provided that the Trade Convention should continue throughout the period of a new Protocol.

I will not refer to the terms of the new Protocol which remain in force until 31st March 1940, as these will be well known to members concerned and are detailed in the Report.

Since the Agreement was renewed, however, India's trade with Japan has been very materially affected by the Sino-Japanese conflict which commenced in July last. The present difficulties in the matter of cotton contracts with Japanese buyers are very significant, but so far Japan has not failed to fulfil her obligations under the agreement. During January/November 1937 she imported over 1,900,000 bales of raw cotton from India, against a minimum of one million in the calendar year, provided for by the Protocol. A reference to the trading position between the two countries for the first nine months of the current financial year, however, discloses the fact that there has been a turnover in trade in favour of Japan of no less than 682 lakhs of rupees. There was a balance of trade in favour of India of 356 lakhs during April/December 1936 and a balance in

favour of Japan of 326 lakhs during April/December 1937. This balance in favour of Japan has all been secured during the last five months of 1937. Up to July last, trade was normal, and in favour of India, but deterioration began in August and exports from India to Japan dropped enormously whilst strange to say imports from Japan increased very rapidly.

It is noteworthy that Japan has not secured this balance of trade in favour of herself by increasing her exports of piecegoods to India. In fact the value of the imports of piecegoods and fents to India from Japan has fallen by 158 lakhs whilst the value of miscellaneous goods imported from that country has increased by no less than 333 lakhs, during the nine months ending December 1937 as compared with the same period of 1936.

The inference which we can draw from these figures is that whilst the Japanese have not been able to dispose in India of piecegoods which were originally designed for the Chinese market, their miscellaneous goods, originally meant for China, are being dumped in India without difficulty.

The trade figures, to which I have just referred, include the trade of Burma in so far as the 1936 figures are concerned and exclude that country so far as the 1937 figures are concerned. Burma's trade with Japan is not, however, very important and the Burmese figure, if available, would probably not materially alter the picture.

Insurance Bill.

The Bill to consolidate and amend the law relating to the business of Insurance was introduced in the Central Assembly in January 1937, and was referred to a Select Committee for report prior to the commencement of the Simla Session in August last.

The Chamber was asked to submit views on this very important measure of commercial legislation and a special Sub-Committee was appointed to examine the Bill. This

Sub-Committee, to whom we are most indebted, after devoting a great deal of time and labour to this intricate and contentious piece of legislation drew up a very comprehensive, though not unanimous, report for submission to your General Committee. Government were subsequently addressed by the Chamber and all members were at the same time advised of the conclusions which had been reached by your General Committee. I need not therefore refer to these conclusions here. The Bill to which over two thousand amendments were tabled in the course of its passage through the Central Assembly during the Simla Session and for the consideration of which a special Session of the Council of State was called in November, passed the final stages in both Houses last month. It now awaits the assent of the Governor-General. When this has been received the Bill will come into force on such date as the Central Government may by notification in the official *Gazette* appoint in this behalf.

Although the Bill, as finally passed, does not entirely meet the Chamber's views on all points, it is an essential measure and represents a very considerable advance in commercial legislation.

Control of Drugs and Medicine Traffic.

Another measure emanating from the Central Legislature which has occupied the attention of your Committee is the Import of Drugs Bill which was also referred to a special Sub-Committee for report. On receipt of the findings of the Sub-Committee, your Committee addressed a letter to the Surgeon-General with the Government of Bombay, setting out the Chamber's views. I need not go into the details of these recommendations, which were circulated to members at the time, but I particularly wish to emphasize the following principles on which they were based. Whilst agreeing that a Bill to control the importation of drugs and medicines is desirable in order to eliminate abuses at present existing in the drug and

medicine trade in India, we consider it is essential that legislation should be introduced simultaneously by all Provincial Governments for the control of the manufacture and sale of drugs and medicines. If the importation only is regulated, spurious drugs of indigenous origin or drugs and medicines adulterated after importation will continue to be sold to the public with impunity.

Those of you who were at our Annual Meeting two years ago, may remember that I had occasion to make an earnest appeal at that time to the Government of Bombay to have this matter thoroughly examined, if necessary by a special officer. Now the Government of India has actually taken the lead by bringing in a Bill to control the importation of drugs and medicines, I would like to renew my appeal to Your Excellency's Government for early steps to be taken in this Province to control the manufacture and sale of drugs both in the interests of the poor and ignorant and also of honest trading. We hope still, I may say, Sir, that Bombay will take the lead among the Provinces in suppressing an evil which is too well known to need any detailed description.

Income Tax Enquiry Report.

The report of the Government Committee of Income Tax Experts appointed in 1935 was made available in January last year.

The Report recommends a number of changes in Income Tax procedure which, if adopted, are likely to have far-reaching effects on the interests which your Chamber represents. Needless to say, your Committee gave the Report their most careful attention. All members were asked to express their views on the Experts' proposals and a special Sub-Committee was appointed to examine the Report and to consider the views submitted by our members.

We addressed the Government of India on the lines recommended by the Sub-Committee in July last and at the same time we emphasized the view that Government

should not undertake any important changes in Income Tax procedure in this country without circulating the draft alterations for the opinion of commercial bodies.

One of the recommendations of the Committee of Experts with which we find ourselves in very definite opposition is that which suggests that individuals in India shall become subject to Indian Income Tax on their world incomes by virtue of a residential qualification in India, irrespective of whether that portion of their income, arising outside India, is remitted to India or not. Your Committee's view is that this suggestion is inequitable and also contrary to the principle of reciprocity in taxation, since Indians resident in the United Kingdom are only taxed on income arising in or remitted to the United Kingdom. We also maintain that if any country has a right to tax incomes, not arising or remitted to the country of an individual's residence, that country must be the country of the individual's domicile and none other.

Communications.

The past year has seen considerable developments in matters connected with communications. In November last a separate Portfolio for Communications, which this Chamber has advocated for a number of years was created. This Portfolio covers the administration of Railways, Roads, Post and Telegraphs, Aviation, Broadcasting, Ports and Inland Water Transport. The creation of this Portfolio, at a time when the co-ordination and development of the various means of transport and communications in India is becoming one of vital necessity, has been received with universal satisfaction.

In recent months we have witnessed a noteworthy advance in air communications. The inauguration of the Empire Air Mail scheme on the first of this month, providing for the carriage of all first class mail by air, and for four services a week between India and England, with connecting services to other Empire Countries, in my opinion, ranks in

importance in matters affecting communications with the establishment of the regular monthly mail service by the overland route to London in 1838 and the establishment of the weekly service by the same route some twenty years later. For the benefit of those who have been critical of the Empire Air Mail scheme, because it might tend to increase the cost of postage, I would like to mention that when the monthly overland service was first established, one hundred years ago, the charge for the conveyance of a single letter between India and England was two rupees eight annas, and the time occupied in transit was from forty-three to forty-six days. When we compare these figures with those of 2½ annas per half ounce, a frequency of four days a week and a transit period of two and a half days, we can, I think, consider that we are not paying unduly heavy for the facilities provided under the Empire scheme.

For Bombay's connection with the main Empire Air route and the development of internal airlines in the West and South of India, we have to thank the enterprise of the House of Tata whose record as operators of aircraft services must be one of the finest in the world. Their main Karachi/Bombay/Madras service has recently been extended to Colombo with a frequency of four days per week, whilst they run a bi-weekly service to Delhi and a weekly service to Madras via Travancore and Trichinopoly.

We in Bombay, however, will not consider that the House of Tata has fulfilled its destiny until they have inaugurated the Bombay/Calcutta service which remains, I understand, dependent upon the provision of night flying and other facilities by the Government of India.

Municipal Taxation.

Town Duties.—I now turn to Municipal questions. A matter which has caused no little anxiety amongst commercial interests in our City is the approach made by the Municipality to the Government of Bombay for the

amendment of the Schedule to the City of Bombay Municipal Act, 1888, which sets out various articles on which the Municipality is permitted to levy a Town Duty. The proposed amendment seeks to authorise the enhancement of the rate already leviable on wines, spirits and beer and to secure the right to subject to Town Duty tea, coal, wet and dry dates, petrol, cement, iron, steel and paper. The General Committee with the help of a special Sub-Committee, examined the whole matter very closely and, in the light of their own views and those expressed by members, have addressed a letter to the Government of Bombay strongly deprecating, not only the enhancement of duty on commodities already subject to taxation and the levying of a Town Duty on additional items, but the whole principle of levying Town Duty at all. It is common knowledge that this form of taxation is regarded in most countries as being out of date and economically unsound, and your Committee submit that in respect of Bombay, the prosperity of which is largely dependent on its entrepôt trade and which is exposed to diversion of trade to nearby Ports where transit charges may not be so high, nor formalities so intricate, the levying of Town Duties cannot be justified.

Corporation Tax.—Another form of taxation which the Municipality is attempting to obtain authority to levy is a Corporation Tax. Having failed to obtain the necessary authority from the Provincial Government, the Municipality have now applied to the Central Government for the necessary powers to impose this form of taxation and we await the outcome with considerable concern. The view of your Committee is that the prosperity of Bombay, and of the Municipal Corporation, is largely dependent on the prosperity of the industrial and the mercantile community of the City. It is therefore, in our opinion, not only an unfair but a very unwise policy to single out for special taxation those bodies which as a general rule initiate and develop the more important industrial ventures.

I am sure that I express the views of the Chamber when I say that the legitimate source of Municipal revenue should be a charge on the amenities provided by the Municipality for the inhabitants and certainly not the direct and indiscriminate taxation of commodities nor the taxation of incorporated companies.

Labour Legislation.

Encouragement of Trade Unions.—During the past six months your Committee have devoted much anxious attention to the proposals of the Government of Bombay in the matter of legislation affecting the relationship of employer to employee in industrial undertakings.

In September last Government outlined their policy regarding the encouragement of the formation of Trades Unions and enquired as to the conditions under which employers of labour would be prepared to grant recognition of Trades Unions and what this recognition would connote. I need not refer here in detail to the Chamber's reply which appears in the Annual Report. Briefly, the conclusions come to by your Committee were that they were in agreement with the desirability of building up responsible organisations of employees, provided such organisations were under the efficient control of the workers themselves, and that, as this stage could only be reached as a gradual process, the existing Labour Officer system might advantageously be further developed in the meanwhile.

Last month Government circulated for opinion a draft Bill embodying their proposals in this connection to which we have been able to give our support except on one or two important points in respect of which I am sure Government will meet us.

Sick Leave with Pay.—Towards the end of October Government made a further reference to us in connection with a proposal they had under consideration to introduce a comprehensive system of social insurance which in the

first place would provide for leave with pay for workers during periods of sickness. After examining these proposals most carefully, your Committee advised Government that in their opinion the proposals Government had in view were too comprehensive to be translated into immediate practical legislation and that both labour and industry must be given the opportunity of adjusting their position to new conditions arising out of each step of advancement in labour legislation, before further measures, the immediate results of which must inevitably tend to retard the scope of employment and the capacity of industry, were introduced.

They stated, however, that of the proposals in view, they regarded sick leave with pay to be the most feasible and likely to be of the most benefit to labour. At the same time they expressed the opinion that no scheme to which Government and the worker did not make a contribution would be administratively practicable.

Textile Labour Enquiry Committee's Interim Report.—I do not think I can leave the subject of labour without making a reference to the Interim Report of the Committee appointed to investigate the adequacy of wages in the Textile Industry recently issued by Government.

We are reluctant to be critical of recommendations submitted by a Committee appointed by Government when these recommendations have already been adopted by Government, but I would be less than frank if I did not say that your Committee are perturbed because decisions so vital, both to the scope for employment in the Province, and to the prosperity of Bombay's leading industry, were taken by Government upon the grounds set out in the report without at least the correction of the mis-statement made regarding the reduction in the quota of Japanese piecegoods which has an important bearing on the conclusions reached by the Committee and adopted by Government.

In concluding my remarks on labour matters I feel that it may be opportune to state that the underlying principle

of your Chamber in regard to labour legislation has always been, and still is, that we lend support to all legislative measures which in the opinion of your Committee will tend to improve the lot of the worker without permanently reducing the scope of his employment.

Railways.

Your Committee have had many matters affecting the Railways to consider during their term of Office and have been asked to support certain demands made upon the Railways for a reduction of railway freight on important commodities. I feel possibly that some members have been disappointed that our unqualified support has not been given to their efforts to secure lower railway freights in order to compensate particular trades against falling commodity prices. I am going to take this opportunity therefore of stating the position of the Chamber and of the Railways in relation to this problem, as I see it.

First of all, it will be evident that the Chamber cannot support demands for a reduction in railway freight on one commodity on a scale which would make it necessary for the Railways to recoup such loss of revenue by raising their rates on other commodities. That, I think, has always been the position of our Chamber, representing as it does interests trading in all commodities. That position remains unchanged.

The position of the Railways, however, has, in my view, changed very considerably in recent years. Formerly the Railways, mostly State-owned or State-controlled, had the complete control of the transit facilities for long distance traffic, except where water transport could compete, and they stood in a different relationship to the fiscal system of the country to that in which they find themselves to-day. In the past their freight rates stood as a part of the fiscal system, and as secure from outside influences, one might say, as the taxes and tariff duties. At that time the only means which trade had of obtaining an adjustment of transit costs

was by representation to the Government or the Railway Administrations. In those circumstances it was necessary and incumbent upon the Chamber to support demands for the adjustment of rail freights on exactly the same grounds as they now intervene in matters of taxation and tariffs. To-day, however, the Railways are fast becoming a competitive commercial enterprise themselves and are beginning to have to compete for their traffic against other means of transport, which for the same, or less, cost can provide the public with quicker, cheaper and more flexible means of transit for passengers, and many commodities. So long as this position obtains and develops, I feel that the adjustment of rail freights for individual commodities will tend to become more and more a matter of arrangement in the mutual interests of those representing individual commodities and the Railways which carry those commodities.

I do not wish to infer by what I have just said that the Chamber is not as ready as ever to assist whenever its good offices can be of help to our members if they find themselves in difficulties in the matter of rail freights or any other matter, but I have endeavoured to explain that there has been a considerable change in the relative position of trade interests and railway interests in recent years. The change, I consider, is to the advantage of trade generally, and if the Chamber is no longer in a position to support claims for adjustment of rail freights on individual commodities to the same extent as it was in the past, you can rely upon it to use all the influence at its disposal in order to secure a system of communications which will best serve the needs of the country, and to see that no one form of transport, new or old, is penalised in order to support or subsidise another form, since every mode of transport is an asset to trading interests in the particular advantages which it has to offer.

Anti-Tuberculosis Fund.

I cannot let this occasion pass without a reference to the appeal recently made by His Excellency the Governor

on behalf of the King-Emperor's Anti-Tuberculosis Fund. That the object of this Fund is one which commends itself to all is manifest in the generous response we have already received to the appeal issued on behalf of the Fund by the Chamber. Not only have member firms and companies responded, but we have received a large number of contributions from individuals on the staff of such members, varying in amounts from hundreds of rupees to a few annas.

Bombay Port Trust.

No review of the past year would be complete without a reference to the satisfactory state of the finances of the Port Trust with whose fortunes the trade of the Port as a whole is closely bound up.

At our meeting a year ago my predecessor, Mr. Halsall, referred to the reduction of the surcharge on wharfage rates from 12½ per cent. to 8⅓ per cent. which came into force on the 1st April 1937. It is now estimated that this reduction will give relief to the trade of the Port by no less than 5¼ lakhs in the year ending on the 31st of this month.

In spite of this reduction in the surcharge, the Revised Budget Estimates for the 1937-38 show a surplus of no less than 19.93 lakhs as compared with the original estimated surplus of 6.29 lakhs.

The trade of the Port is again to benefit from the improved financial position of the Trust. A revised scale of dock rates which includes the extension of concessional charges for coasting trade, formerly applicable only as far as Karachi in the North and Mangalore in the South, to the whole of India and Burma, came into force on the 1st January last, whilst a further reduction in the surcharge on wharfage from 8⅓ per cent. to 4⅛ per cent. comes into force from the 1st of next month. These reductions are most welcome at a time when the prospects for the coming year indicate that the trade of the Port will be faced with many difficulties.

It only remains for me to say that we would like to congratulate the late Chairman of the Port Trust, Sir Gilbert Wiles, not only on the honour of knighthood conferred upon him by the King-Emperor at the New Year, but also upon a term of office as Chairman which has shown such remarkable improvements in the financial position of the Trust. The conservative policy in the matter of capital expenditure so steadfastly pursued by Sir Gilbert, and by his predecessor, Sir William Sharpe, stands to-day amply justified in the relief, estimated to amount to 14½ lakhs, which the Trust is able to extend to the trade of the Port in the coming year.

Government of India Budget.

As regards the Budget presented by Sir James Grigg at the end of February, I feel that we have more reason to be thankful that Provincial Autonomy has been successfully financed and the Frontier successfully defended without any further taxation being found necessary, than we have to be disappointed that there has been no remission of taxation. It only remains for me to place on record that we have not lost sight of the pledge given that the balance of the surcharge on income tax will be removed as soon as the financial position at the Centre makes remission possible. We still expect that pledge to be redeemed, and I have little doubt but that Sir James Grigg has made provision for the fulfilment of his predecessor's pledge in framing the Income Tax (Amendment) Bill which he proposes shortly to introduce.

Government of Bombay Budget.

In respect of the Budget presented by the Hon'ble Mr. Latthe to the Bombay Legislature on February 25th, I feel that there is very little to be said which has not already been said, except that it is evident that Government are determined to spend large sums in pursuit of Prohibition. I must confess that to my way of thinking, money spent on

prohibition is the equivalent of buying human happiness in the highest possible market.

We, as business men, would naturally prefer to see the Government making their purchases of social advancement for the masses where more practical results can be obtained from the funds available from the taxpayer. That these funds are limited, in spite of the power that may fall to any one man, or any one party, does not need any emphasis from me.

Railway Budget.

In the Railway Budget it is very gratifying to see that there was an actual surplus of 121 lakhs against the original estimate for a deficit of 344 lakhs and a revised estimate of a surplus of 15 lakhs for 1936-37. Similarly, we are glad to see that the revised estimate for 1937-38 provides for a surplus of 283 lakhs against the original estimate of 15 lakhs only.

Gratifying as these figures are, they give much food for thought.

The first consideration which occurs to me when comparing these original and revised estimates and actual results is the rapidity with which the fortunes of Indian Railways can change in the trading and traffic conditions obtaining at the present time. This leads me to consider if the 800 crores of taxpayers' money at present invested in Railways in India is not a more speculative holding than it was in the past and even more speculative than we are apt to regard it now, when one takes into consideration that the earnings from this investment did not so much as cover the interest charges for six consecutive years prior to 1936-37, let alone pay any surplus into general revenues.

I mention this point because, as you know, the Government of India have the option of buying out private stock-holders in certain Railways which are still partly or wholly owned by Companies. The question which need

consideration, therefore, is whether it will be wise for the Government of India to add to its investment of 800 crores in Railways in trading conditions tending towards economic nationalism, and whilst Railways have to face inevitably the growing competition from road and air traffic. To my mind the figures which are revealed in the Railway Budget raise the whole question of how far any Government is justified in investing the taxpayer's money in commercial ventures, be they Railways or any other venture, for all commercial ventures are liable to become obsolete with the passing of a few generations and in the hands of a Government likely to fetter the legitimate economic advancement of the country.

Domestic Affairs.

Turning now to our domestic affairs, your Committee are glad to be able to present to you accounts which show a surplus of income over expenditure of Rs. 27,160 which is the biggest surplus the Chamber has recorded since 1927. This sum, together with the total of the small credit balances carried forward from the past three years brings our modest reserves within Rs. 2,292 of the figure at which they stood in 1929, before the depression depleted our coffers to the extent of Rs. 38,532.

I am also glad to inform you that we found it possible to extend the privileges of the Chamber's Provident Fund to the Sepoy and Hamal staff as from 1st July last, and although membership of the Fund was made voluntary for those then in our service, you may be interested to know that every hamal and sepoy in our employment joined the Fund as soon as he became eligible for membership.

Since our last meeting, Mr. R. J. F. Sulivan, who had held the position of Secretary of the Chamber for over twelve years has retired, and we have secured the services of Mr. C. H. Courthope-Munroe in his stead. I have pleasure in recording my thanks to these two gentlemen who have successively held the position of Secretary, and to Mr. Royal,

upon whom a great deal of extra work devolved whilst Mr. Sullivan was completing the History of the Chamber during the latter part of his service. I also take this opportunity of thanking all the other members of the staff for their loyal work during my year of office and I am glad that the improved financial position of the Chamber has made it possible to grant increments to many who had not received advancement for a great number of years.

In the political field we have suffered very serious losses in the resignation of Sir John Abercrombie from one of the seats held by the Chamber in the Bombay Assembly and in the retirement of Sir Leslie Hudson from the leadership of the European Group in the Central Assembly on account of ill-health. To both these gentlemen we owe our gratitude for many years of unselfish service on behalf of the Chamber and the European community and it only remains for me to say that we hope Sir John will find it possible to return to politics and that we wish Sir Leslie a speedy recovery from the serious operation which he has recently undergone.

Before I conclude, I desire to express my sincere gratitude to your Vice-President, who is your President-elect, Mr. McIntosh. Throughout the year, he has given me his unfailing and valuable support and you are to be congratulated on securing him for your President from to-morrow onwards. I have also to congratulate you in having secured Mr. Hogg as your Vice-President. I am sure that you could not have placed the affairs of the Chamber in more capable and experienced hands.

I should like to close my remarks with my very grateful thanks to the members of the Committee. One of the chief memories I shall retain of this busy but interesting twelve months will be the assistance and advice which the Committee have given me in the discussions around this table and at all other times. I am deeply grateful also to those gentlemen who have watched over the interests of the

Chamber in the Legislatures and other spheres of our activities and to the Sub-Committees, both standing and special, to whom many matters of particular importance and entailing much hard work have been referred, and whose expert opinions have been most helpful to the General Committee.

I now beg to propose that the Report of the Committee of the Bombay Chamber of Commerce for the year 1937 be and is hereby adopted and confirmed.

MR. A. MCINTOSH, the Vice-President, said :—Mr. President, Your Excellency and Gentlemen,—In rising to support the proposition the President has placed before the meeting, I shall follow the usual procedure of enlarging upon one or two items of the annual report. Registration of Trade Marks is a matter constantly with us and whatever we may think of other forms of legislation, we shall have difficulty in suggesting that any future legislation in the matter of Trade Marks has not been sufficiently circulated for opinion. It is, of course, an extraordinarily intricate form of legislation and one which presents more than usual difficulty if all interests concerned are to be duly protected. The annual report advises you of the current state of progress in these matters since this Chamber moved its resolution in Calcutta in 1936. That resolution itself represented some change of view over the years. But I take this opportunity of drawing your particular attention to the last sentence of the resolution—what our legal friends might call its saving clause—" subject only to proof of prior usage by the defendant in any dispute." This sounds easy and some may say it would vitiate the value of legislation for years ahead even after the legislation contemplated has been enacted. But I hold strongly the view that it is most important. The enactment of trade-mark legislation has the purpose of protecting rights in marks by the simplest possible procedure. But a very fundamental aspect of this question of " rights " is (*a*) prior usage, and (*b*) continued usage. In a country of the continental extent of India

this reservation is most important, and if the early future brings forth a definite Bill to follow the memorandum that has already been circulated, I would commend this most important point to the full consideration of those who may be called upon to express the views of the commercial community.

During the course of the year we have had the customary consultations with the authorities in regard to the annual revision of the list of those articles imported under a system of tariff valuation. And I would take this opportunity of expressing our appreciation of the procedure which provides for these discussions. The fairly general agreement which emanates from these meetings is a criterion of their utility. But during the year under review, this procedure was not applied to a very drastic alteration in the manner of assessment of certain metals recently subject to speculative movements, concerning which the Chamber felt itself bound to protest. I must say at once that Government acted promptly in recognising the force of the arguments directed to them from many quarters. But unfortunately a complete reversion was not possible until this year. Although the problem had been met so very promptly, your Chamber nevertheless thought that the principles at issue were such as to justify the publicity of as wide an audience as possible and those of you who may perhaps think that the issue is one of routine only, are invited to examine the reasons put before the Associated Chambers last December.

I now pass on to another subject, one which is not so exclusively commercial in its nature as most of those with which we deal, but nevertheless one in which the Chamber has taken considerable interest. In 1936 the Chamber joined with many other public bodies and associations in the formation of a joint-town planning committee. The immediate and urgent aim of that joint committee was the representation of the views of its constituents in regard to the development of Queen's Road land and Colaba Railway

land. As much as possible was done in putting forward views of responsible public opinion in regard to the development of these lands. The immediate purpose of the joint committee, as a committee created to deal with a specific set of conditions, has been fulfilled. However, you will notice from the annual report that the joint committee has continued to take an interest in many matters including some outside the boundaries of the city itself. It must be remembered that this committee acts entirely in an unofficial manner and most of its work arises from unofficial contacts. Little, therefore, can be done in a precise and definite sense. We are indebted to many officials for much willing co-operation. But I think I am not overstating the position when I say that mutual education in what we should aim at in all this present maze of building and road-making is possibly one of the greatest advantages of this joint body to-day. As one walks about the public places of Bombay, it is apparent on all sides that dissatisfaction exists generally in regard to the condition and methods of all this development. Yet very few specific complaints find expression —largely, I think, because this is really a highly technical engineering subject and much of the dissatisfied opinion is that of the uninformed layman. Still, an egg is not known only to the hen that lays it, and the general public can feel that much is not as it should be though it may not be able to put its finger on the precise legal or technical obstacle or difficulty.

There is no doubt it was merely a coincidence that on the twenty-eighth of January of this year the police were taking particularly energetic steps to guide moving traffic well into the left hand side of roadways—in itself a most desirable object. But on that very same day, the *Times of India* reported that the Municipality had practically emasculated the budget provisions for pavements. And so the poor pedestrian must stay in his house or the wheeled traffic must go back into the centre of the roadway. Whatever we individually may think about houses or offices

or bungalows—and individual taste must colour our views—we can all I think say without hesitation that the roads are there for the transport and movement of the citizen whether by vehicle or by foot.

When pavements are used as builders' yards, garage washing areas and open air trading stalls and they very frequently are so used, I have little doubt that the proper authorities are compensated by fee or licence of some sort, but the point I have to suggest is that the first duty of the proper authorities to their citizens is to ensure that the roads are used and are capable of being properly used for their primary purpose of free movement for all. Whether the remedy lies in an amendment of the building regulations or in a revision of the Town Planning Act, I cannot say. Those with more technical and legal knowledge must answer that. But whatever else may be necessary, there is no denying the necessity in these days of pavements and pavements properly paved which pedestrians will prefer to use. In many of our old narrow roads and streets, we suffer inevitably under conditions which are not susceptible of easy or early alteration, but new roads and new streets—and many of the older wider streets—would benefit from a more strict enforcement of the conditions I have tried to express.

Not in all respects does Calcutta compare favourably with Bombay, but there are many sections of the eastern city which one could hold up as a pattern to Bombay in this particular respect.

I am sorry to have taken your time in this elaboration of what some may think to be not of special commercial interest, but my justification is the belief that commercial opinion of the city we live in should, on such an occasion as this, express itself on the conditions in which it has to work and thereby endeavour to create a public feeling which will then extend in many directions through the various channels of influence which are represented here. One Improvement Trust has been absorbed by the Municipality

proper. We should hope that the next generation will not feel itself under the need of creating another Trust.

Before leaving this matter of roads and pavements and transport and buildings, I would ask your indulgence whilst I refer again to a subject which was brought to your attention at your annual meeting two years ago.

I refer to the compulsory installation of safety devices in lifts and their regular inspection by competent lift engineers. In these days with buildings tending to become higher and higher, vertical transport is as important as horizontal transport and may easily be more dangerous. The necessity for the control of lifts is year by year becoming more important. Freedom of individual expression in the design of buildings may lead to different views as to their suitability for the purposes they are intended to fulfil, but this is largely a matter of taste. The efficiency of lifts and the certainty of their safety is a matter which transcends all personal views, and is a matter requiring urgent regulation and control. We were told two years ago that the question of introducing legislation was under consideration, but as far as I am aware, neither in the Provinces nor at the Centre has there been as yet any definite evidence of such legislation having been drafted. I can only express the hope which was expressed on a previous occasion that necessary legislation in this matter will come on to the Statute Book as a precautionary measure and not as the result of public apprehension after a serious accident has occurred.

And now may I conclude on a personal note. I appreciate the honour implicit in your election of myself as President of the Chamber for the incoming year. Mr. Hogg and all those gentlemen of the Committee who have offered their services will help and guide me. And speaking for all of us, I would say that we shall do everything in our power to maintain the high standard set by our predecessors. It has been a great pleasure to me to work with Mr. Cooke, and my colleagues this year, and if next

March the then out-going committee and members generally hold similar views concerning myself, I shall be well content.

I now have great pleasure in seconding the resolution,

"That the Report of the Committee of the Bombay Chamber of Commerce for the year 1937 be and is hereby adopted and confirmed."

The report was adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—Mr. Cooke and Gentlemen,—I must thank you for your welcome to me to-day and I can assure you that I value the opportunity of attending this annual meeting of a Chamber which is so important to the commercial life of this City and Presidency.

I have been impressed, while listening to the speeches of the President and Vice-President, with the great variety of subjects in which your Chamber is interested, and in particular with the close connection between the affairs of the Chamber and some of the legislative measures of the Government of India and of the Provincial Government. I am aware that the Insurance Bill has occupied many hours of the time of some of your members and that your resultant suggestions have been of great use to the Government of India in putting the Bill into its final form. The protection of Trade Marks and Control of Drugs Bills, are other instances. I do not intend to comment on these in detail, nor on your many activities, but there are one or two matters to which I should like to refer at some length.

I have listened with particular interest to your remarks on labour legislation, from which it would appear that there is very little difference between your views and those of Government as regards the policy underlying such legislation. Government realise, as you do, that the worker is dependent upon industry and that it would be doing a poor service to labour if any legislation passed for his benefit lessens the field of employment or hinders the development of industry. This is an aspect of the problem which has

not been lost sight of, but it has also to be remembered that industrial peace and a contented labour force are invaluable assets to all employers, counting for more, in the long run, than a reasonable increase in labour costs. The cost of labour in relation to the article produced is, within certain limits, a matter under the control of an employer and, although wages may be increased, it does not follow that labour costs need be increased in the same proportion. The effect may be to stimulate employers to obtain the highest possible value for the money they are paying to labour, with the result that the individual worker gains and the employer does not lose. I am aware that there are limitations to the working out of that theory, but I do not consider that the limit has been reached in the industries of this Presidency. At the same time, labour must understand that higher individual wages may hasten the enforcement of efficiency schemes and rationalisation and a closer scrutiny of muster rolls. Employers cannot always pass on the extra cost to the consumer, especially when they are selling their production in fierce competition with factories in other parts of India where labour policy is not so enlightened as it is in Bombay.

As regards communications, you are aware that a special officer has been engaged during the past year in drawing up a balanced programme of road works to be spread over a period of seven years. His enquiries have now been completed and the resultant schemes, involving an expenditure of some four crores of rupees, are now under the consideration of Government.

A question of a very different nature is that of control of the Stock Exchange. You have all seen the orders recently published by Government after consideration of the report of the Stock Exchange Committee. Much thought has been given to the question of how far Government should intervene in the affairs of a marketing organisation like the Stock Exchange, but it has become apparent from recent happenings that Government must be able to

intervene in the interests of the public. Their general policy, however, is not to take more drastic powers than are clearly necessary in the general interests of the investing public. I hope that with the changes already made the affairs of the Stock Exchange may progress more smoothly, so that there will be less cause for criticism by the public.

You have referred to the need for legislation for the prevention of adulteration of drugs, and you will no doubt have seen the statement made in the Assembly on this subject a few days ago on behalf of Government. A Committee appointed by Government has already submitted a draft Bill providing in the first place for the establishment of a pharmaceutical council and for the training and control of pharmacists and compounders, and secondly for the prevention of adulteration of drugs. Government must first know in what form the Bill introduced in the Central Legislative Assembly to regulate the import of drugs and medicines into British India will take. When this is known, the question of introducing provincial legislation for the above purposes will be ready for examination after consultation with other provinces, since any such legislation, in order to be effective, should be on uniform lines throughout India. Meanwhile provision has been made in the budget for the opening of a pharmaceutical laboratory at the Haffkine Institute to test drugs both of local and foreign origin. This will enable the new Act to be put into force as soon as it is passed.

The President has pointed out that industry does not show such promising signs of improvement as last year. Apart from unsettled political conditions, there is no doubt that the policy of national isolation in trade is a direct hindrance to international trade. We can only hope that painful experience will lead to wisdom and that the barriers between one country and another will be gradually lowered so that freer intercourse may be possible.

In conclusion I wish to thank you for your invitation to me to attend your meeting to-day, and I am very glad

that I have been able to accept. Whether I shall be able to attend in each of the years of my normal period I cannot say, but I can assure you that I shall always watch the activities of your Chamber with the greatest interest, and I take this opportunity of wishing it all success.

SIR JOHN ABERCROMBIE, KT., M.C., in proposing a vote of thanks to the Committee, said :—Your Excellency and Gentlemen,—It is sometimes the case that a resolution of thanks is treated almost as a matter of course, but I feel sure that the members of the Chamber would wish me to express very clearly their appreciation of the work of the Committee. It is true, I think, that each year the work of the Chamber increases and the demands it makes of the Committee, and especially of the President and Vice-President, become more and more exacting, but this Committee is to be congratulated as much on the quality as on the volume of its work.

Our thanks in particular are due to the President, Mr. Cooke, and the Vice-President, Mr. McIntosh, both of whom have set a very high standard of conscientious industry and it is owing largely to their efforts that the Chamber has completed so full and successful a year for the benefit of the commercial interests of Bombay.

I now formally move that the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year.

The resolution was seconded by MR. N. B. MACBETH, and carried with acclamation.

Mr. J. F. MACDONELL, M.C., proposed, Mr. R. L. FERARD, seconded, and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1938-39 in accordance with the provisions of Article 37 (*g*) be and is hereby confirmed :—

MR. R. W. BULLOCK.
MR. W. L. CLEMENT.
MR. W. J. CULLEN.
MR. S. FUCHSMANN.
MR. R. C. LOWNDES.
MR. R. SCHERER.
MR. G. J. H. WALLS."

MR. W. A. BELL proposed, MR. H. CHAMBERLAIN seconded, and it was agreed :—

"That MESSRS. A. F. FERGUSON & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1938 at the remuneration hitherto paid to them."

MR. F. H. FRENCH, M.L.A., in proposing a vote of thanks to His Excellency the Governor, said :—Mr. President, Your Excellency and Gentlemen.—Whilst it is an honour to me to propose a very hearty vote of thanks to His Excellency for his presence here to-day and for his interesting address, it is also a very great pleasure to welcome His Excellency here on this the first occasion on which he has honoured us by attending our Annual General Meeting. It is true our Committee have already presented an address of welcome on our behalf to Their Excellencies when they first arrived in Bombay, but this is the first opportunity that we have had to welcome His Excellency collectively as representatives of the business community in Bombay.

When a new Governor arrives to take up his duties though we all wish him well, we are apt to view him perhaps with a somewhat anxious and critical eye. His Excellency will appreciate that this is only natural—after all it is the Governor who holds the reins of the carriage of State.—If his hands are heavy the horses will fret ; if his hands lack strength then the horses may bolt. His Excellency arrived at a most difficult and critical time in the history of the Province ; moreover he followed a Governor in whom we had learnt to place the most implicit faith and confidence—a double handicap. Let me, however, assure His Excellency

that his handling of the reins during the first six months of his regime has caused the anxiety and criticism to melt away. He is a good coachman, and we travel the easier for that knowledge.

Sir, you are a busy man and our appreciation of that fact makes our thanks to you for sparing the time to attend our Annual General Meeting all the more sincere.

Gentlemen, I beg to propose a very hearty vote of thanks to His Excellency and to extend a sincere welcome to Sir Roger Lumley and Lady Lumley.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce.

ANNUAL REPORT FOR 1937.

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1938-39.

In accordance with the prescribed regulations, MR. A. MCINTOSH and Mr. A. K. G. HOGG were elected President and Vice-President, respectively, of the Chamber for the year 1938-39.

CHANGE IN THE COMMITTEE DURING 1937.

In June 1937 MR. N. W. CHISHOLM resigned his seat on the Committee on transfer to Calcutta and MR. G. J. H. WALLS was appointed to serve in his stead.

BOMBAY LEGISLATIVE ASSEMBLY.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 2.)

In December 1937 SIR JOHN ABERCROMBIE, one of the Chamber's representatives in the Bombay Legislative Assembly, resigned his seat and MR. J. B. GREAVES was nominated to serve in his stead. At their meeting held on the 15th December 1937, the Committee recorded the following resolution :—

"The Committee of the Chamber desire to place on record their regret at the resignation of Sir John Abercrombie as the Chamber's representative in the Legislative Assembly and their great appreciation of the very eminent services which he has rendered to the Chamber and the European community generally in the Provincial Legislature during the past twelve years. The Committee in passing this resolution submit the hope that Sir John Abercrombie's services may be placed at the service of the Chamber in the Legislature at a future date."

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

The terms of office of SIR GEOFFREY WINTERBOTHAM, MESSRS. G. H. COOKE, F. H. FRENCH, R. C. LOWNDES and A. K. G. HOGG, as the Chamber's representatives on the Board of Trustees of the Port of Bombay expired on the 31st March 1937. A ballot was held on the 10th March 1937 and resulted in the election of SIR GEOFFREY WINTERBOTHAM, MESSRS. W. A. BELL, G. H. COOKE, R. C. LOWNDES and G. S. TAUNTON, to serve for a period of two years from 1st April 1937.

In April 1937 SIR GEOFFREY WINTERBOTHAM, MR. R. C. LOWNDES and MR. W. A. BELL obtained leave of absence from the meetings of the Board of Trustees of the Port of Bombay on proceeding to Europe and MR. W. M. PETRIE, MR. E. C. REID and MR. R. W. BULLOCK were elected respectively to serve in their stead.

BOMBAY MUNICIPAL CORPORATION.

CHAMBER'S REPRESENTATIVE.

In October 1937 MR. C. P. G. WADE having resigned his seat as the Chamber's representative in the Bombay Municipal Corporation, MR. L. GWILT was elected to serve in his stead.

INDIAN SAILORS' HOME COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In March 1937 MR. W. KEAY, the Chamber's representative on the Committee of Management of the Indian Sailors' Home, Bombay, resigned his seat on proceeding to Europe on leave. The Committee of the Chamber nominated MR. C. E. LEMAN to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In March 1937 the Committee re-nominated MR. R. J. F. SULIVAN to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1 (*e*) of the Rules and Regulations of the Society.

GOVERNING BODY OF THE I.M.M.T.S. "DUFFERIN."

CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 5.)

In February 1937 MR. A. K. G. HOGG, the Chamber's representative on the Governing Body of the I.M.M.T.S. "Dufferin," resigned his seat on transfer from Bombay and the Committee nominated MR. G. S. TAUNTON to serve in his stead.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In July 1937 the Government of Bombay informed the Chamber that the term of office of the existing Advisory Committee for the Bombay District under the Auxiliary Force Act, 1920, would expire on the 27th August 1937 and requested the Chamber to nominate its representative on the Committee for the year 1937-38.

The Committee nominated MR. C. D. TAYLOR.

EMPIRE COTTON GROWING CORPORATION.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1935, *page* 5.)

The term of office of MR. S. B. SAMOILYS as the Chamber's representative on the Administrative Council of the Empire Cotton Growing Corporation expired in May 1937 and the Corporation invited the Chamber to nominate

a representative to serve in MR. SAMOILYS'S stead. As MR. SAMOILYS was returning to India the Committee nominated MR. A. A. SARANTIDES.

INDIAN CENTRAL COTTON COMMITTEE.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 4.)

In May 1937 MR. M. S. DURUTTI, the Chamber's representative on the Indian Central Cotton Committee, resigned his seat on proceeding on Home leave and MR. S. B. SAMOILYS was nominated to serve in his stead. MR. SAMOILYS resigned in December 1937 and MR. DURUTTI was re-nominated to serve in his stead.

GOVERNOR'S HOSPITAL FUND.

CHAMBER'S REPRESENTATIVE.

In June 1937, the Committee nominated MR. A. L. GUILFORD to serve as the Chamber's representative on the Executive Committee of the Governor's Hospital Fund during the absence on leave of MR. A. S. TROLLIP.

BOMBAY SMOKE NUISANCES COMMISSION.

CHAMBER'S REPRESENTATIVE.

In August 1937 the Government of Bombay informed the Chamber that the period of constitution of the Bombay Smoke Nuisances Commission would expire on the 31st December 1937, after which date a new Commission would have to be constituted under the Bombay Smoke Nuisances Act, for a further period of two years. The Government of Bombay asked to be furnished with the name of the Chamber's representative for appointment on the new Commission.

The Committee re-nominated MR. H. F. MILNE.

RAILWAY RATES ADVISORY COMMITTEE.

CHAMBER'S NOMINEE.

(*See Report* 1933, *page* 4.)

In August 1937 the Railway Board informed the Chamber that they proposed to publish a revised list of representatives of commercial interests on the Railway Rates Advisory Committee and enquired what changes, if any, should be made in the list so far as the Chamber was concerned.

The Committee informed the Railway Board that the changes they desired to suggest were the substitution of the names of MR. G. H. COOKE and MR. A. P. DARLOW for those of SIR ERNEST MILLER and MR. G. C. R. COLERIDGE. The Chamber's nominees now are MR. L. A. HALSALL, MR. J. F. MACDONELL, MR. C. J. DAMALA, MR. G. H. COOKE and Mr. A. P. DARLOW.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Sub-Committees of the Chamber for the year 1937-38 :—

Import.

Mr. W. Deacon (*Chairman*).
Mr. W. J. Burrows.
Mr. H. G. Davies.
Mr. J. N. Kerr.
Mr. A. C. Michalopulo.
Mr. F. Whitehead.

Finance.

Mr. A. G. Gray (*Chairman*).
Sir Kikabhai Premchand, KT.
Mr. D. Laidlaw.
Mr. J. D. Macgilvray.
Mr. T. G. Mackenzie.
Mr. G. C. Pocock.

Shipping and Export.

Mr. C. E. Leman (*Chairman*).
Mr. C. J. Damala.
Mr. C. C. W. Fosbery.
Mr. Meyer Nissim.
Mr. W. L. A. Radcliffe.
Mr. D. A. H. Windle.

Docks and Railways.

Mr. D. Harrington (*Chairman*).
Mr. W. T. Aldous.
Mr. A. J. Bebbington.
Mr. J. G. Milne.
Mr. E. J. Pakes.
Mr. J. H. F. Raper.

Income-tax.

Mr. L. Blunt (*Chairman*).
Mr. G. A. H. Alexander.
Mr. G. C. Pocock.
Mr. B. J. Whitby.

Labour.

Mr. C. E. Leman (*Chairman*).
Capt. W. D. Bacon.
Mr. R. Mather.
Mr. Neville N. Wadia.
Mr. F. S. Woodcock.

Statistics.

Mr. S. Fuchsmann (*Chairman*).
Mr. C. R. Sharp.
Mr. R. P. Smith.
Mr. J. E. Tew.

Communications.

Mr. J. B. Greaves (*Chairman*).
Mr. S. T. Dockray.
Mr. D. E. Gough.
Mr. G. O. Pike.
Mr. J. H. F. Raper.
Mr. A. Trevor Robinson.
Mr. N. Vintcent.

Cotton.

Mr. C. P. Bramble (*Chairman*).
Mr. L. F. H. Goodwin.
Mr. W. G. McKee.
Mr. S. B. Samoilys.
Mr. R. G. Saraiya.
Mr. Tulsidas Kilachand.
Mr. J. Vonesch.

Weather Working Days.

Mr. G. S. Taunton (*Chairman*).
Mr. E. C. Reid.
Mr. W. M. Petrie.

MR. J. H. F. RAPER resigned his seat on the Docks and Railways Sub-Committee in October 1937 and MR. G. E. BERKLEY was nominated to serve in his stead.

MR. C. J. DAMALA resigned his seat on the Shipping and Export Sub-Committee in August 1937 and MR. M. PASPATTI was nominated to serve in his stead.

MR. C. C. W. FOSBERY retired from India in October 1937 and MR. D. STEWART-BROWN was nominated to serve in his stead on the Shipping and Export Sub-Committee.

MR. S. B. SAMOILYS resigned his seat on the Cotton Sub-Committee in December 1937 and MR. M. S. DURUTTI was nominated to serve in his stead.

MR. J. D. MACGILVRAY resigned his seat on the Finance Sub-Committee in December 1937 and MR. A. MCCULLOCH was nominated to serve in his stead.

MR. L. BLUNT retired from India in January 1938 and MR. C. N. CAROE was nominated to serve in his stead on the Income-tax Sub-Committee.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1938 was 192 against 191 at the beginning of 1937. The following are the names of members elected :—

The American Express Co. Inc. Proposed by the P. & O. Banking Corporation and seconded by the Eastern Bank, Ltd.

Messrs. Sapt Textile Products (India), Ltd. Proposed by the Comptoir National D'Escompte de Paris and seconded by Messrs. A. F. Ferguson & Co.

Messrs. Pinchin Johnson & Co., Ltd. Proposed by the Mercantile Bank of India, Ltd., and seconded by Lloyds Bank Limited.

Messrs. Fazulbhoy Limited. Proposed by Messrs. F. M. Chinoy & Co., Ltd., and seconded by the Chartered Bank of India, Australia and China.

Messrs. Vissanji Sons & Co. Proposed by Messrs. Wallace & Co., and seconded by the Imperial Bank of India.

Messrs. Anchor Line, Limited. Proposed by Messrs. Wilson Latham & Co., Ltd., and seconded by the Anglo-Siam Corporation, Ltd.

The SKF Ball Bearing Co., Ltd. Proposed by Messrs. A. F. Ferguson & Co., and seconded by Messrs. Craigie, Blunt & Caroe.

The Associated Cement Companies, Ltd. Proposed by the Cement Marketing Co. of India, Ltd., and seconded by Messrs. Killick Nixon & Co.

The Eagle Star Insurance Company, Ltd. Proposed by Lloyds Bank, Limited, and seconded by Messrs. A. F. Ferguson & Co.

The Anglo-Iranian Oil Company (India), Limited. Proposed by Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., and seconded by Messrs. A. F. Ferguson & Co.

Messrs. Caltex (India), Ltd. Proposed by Messrs Crawford Bayley & Co., and seconded by the National City Bank of New York.

Messrs. Stewarts and Lloyds of India, Limited. Proposed by Messrs. Glenfield & Kennedy, Ltd., and seconded by the Chartered Bank of India, Australia and China.

Messrs. Schering (India), Limited. Proposed by Messrs. Ford, Rhodes and Parks, and seconded by the Havero Trading Co., Ltd.

The following resigned their membership of the Chamber :—

Messrs. Breul & Co.

Messrs. Sapt Textile Products, Ltd.

Messrs. Wilkinson Heywood and Clark.

Messrs. The Cement Marketing Co. of India, Ltd.

Messrs. The Eagle Star and British Dominions Insurance Co.

Messrs. Sir W. G. Armstrong Whitworth & Co. (Engineers), Ltd.

Messrs. The Anglo-Iranian Oil Company, Ltd.

Messrs. Braithwaite & Co. (India), Ltd.

Messrs. The United Artists Corporation.

Messrs. The Texas Co. (India), Ltd.

Messrs. Stewarts and Lloyds , Ltd.

Messrs. Schering Kahlbaum (India), Ltd.

Messrs. Roneo, Limited.

Messrs. Wilson Latham & Co., Ltd.

SECRETARYSHIP OF THE CHAMBER.

MR. R. J. F. SULIVAN who was Secretary of the Chamber from 1925 retired from India in July 1937 and was succeeded by MR. C. H. COURTHOPE-MUNROE.

At a meeting of the Committee of the Chamber held on the 7th July 1937, the President on behalf of the Committee and Sub-Committees made a presentation to Mr. Sulivan as a mark of their appreciation of the service which he had rendered to the Chamber during the time he had held the appointment of Secretary. The following resolution was adopted unanimously :—

"The Committee desire to place on record their appreciation of the valuable services rendered to the Chamber by Mr. Sulivan during the period of over twelve years whilst he has held the office of Secretary of the Chamber and to tender to him their best wishes for the enjoyment of health and happiness in his retirement."

HISTORY OF THE CHAMBER.

(*See Reports*, 1935, *page* 11, *and* 1936, *page* 7.)

The History of the achievements of the Chamber during the past 100 years was completed by Mr. Sulivan during the year and copies were made available to the public in September 1937.

His Excellency the Governor of Bombay, Lord Brabourne, very kindly wrote the following "Foreword" to the History :—

"It is with the greatest pleasure that I have accepted the invitation to write a foreword to Mr. Sulivan's book 'One Hundred Years of Bombay', a history of the Bombay Chamber of Commerce, 1836—1936. I had not realised until I read this book—and I am sure I shall not be alone in my ignorance—how great a part had been played by the Chamber in the history of Bombay and how much the City owes to the wisdom and prescience of those who have guided its destinies in the past. Their names are virtually unknown. The causes for which they worked have become so woven into our commercial life that we forget that they ever had a genesis in the minds

of far-seeing men; that they had to be argued and fought for and established. It is only right that those who have reaped what the pioneers sowed should rescue their names from oblivion and record their achievements in a history of the Chamber.

"But 'One Hundred Years of Bombay' is much more than a compilation of the musty records of the Chamber of Commerce. It is a valuable addition to the somewhat scanty bibliography of this City for, while the volume is primarily concerned with the annals of a commercial body, Mr. Sullivan has been careful to set each event against its appropriate historical background and has drawn upon many sources in order to obtain the correct colours for the picture he paints of the commercial history of Bombay City.

"I wish this book the success it undoubtedly deserves, not only for its intrinsic merits, but as an inspiring record of the achievements of the Bombay Chamber of Commerce, which, as I have had occasion to observe in the past four years, is still a very vital organisation, whose co-operation and advice I have always welcomed."

CHAMBER'S PROVIDENT FUND.

Menial Staff.

With effect from the 1st July 1937 the sepoys and hamals on the Chamber's staff were permitted to participate in the Chamber's Provident Fund on the same basis as the remainder of the staff.

WEIGHMENT OF EXPORT CARGO BY THE CHAMBER'S STAFF.

There have been frequent complaints in recent years by steamship companies in regard to the misdeclaration of weight of cargo by shippers in their export shipping bills. These misdeclarations resulted in statistics of exports being inaccurate and also resulted in loss of freight to steamship companies and possibly wharfage fees to the Port Trust, as it was customary for the weights shown on the export shipping bills to be accepted for the purpose of calculating freight and wharfage charges and it was possible to have only occasional check weights taken.

In order to put a stop to these under-declarations the agents of steamers taking cargo to the Straits Settlements jointly asked the Chamber in January 1937 to undertake the weighing of such cargo for freight purposes in the same manner as case and bale cargo was measured. The Committee agreed to undertake the work on payment by the shipper of a fee of one anna per package.

In July 1937 the Committee similarly undertook the weighing of cargo for shipment to Aden, Port Said, Suez and Alexandria.

In August 1937 the steamship companies approached the Chamber on behalf of the shippers of wheat flour and suggested that as the bags were automatically filled and weighed and the weight was stamped on the bags a lower charge might be made.

As a tentative measure the Committee decided to continue to charge a fee of one anna per bag on wheat flour, and to grant a rebate of half an anna per bag on the measurer's certifying that the lot weighed consisted of not less than 200 bags of uniform weight and that each bag was marked with the weight of the contents.

TONNAGE SCALE.

Groundnut Oilcake Meal.

As there was no scale in force for groundnut oilcake meal and there was an increasing trade in the article a test was taken on 27th April 1937 which showed that the article scaled at 16 cwts. to the shipping ton. A special general meeting of members of the Chamber was accordingly held on the 23rd June 1937 when the following resolution was adopted unanimously :—

"That the Chamber's Tonnage Schedule for the Port of Bombay be amended by the addition of the item "Oilcake Meal (Groundnut)—16 cwts." after the item "Oilcake Powder—16 cwts."

VISIT TO THE CHAMBER OF THE HON'BLE SIR SULTAN AHMED.

THE HONOURABLE SIR SYED SULTAN AHMED, Member of His Excellency the Viceroy's Executive Council, in charge of Commerce and Railway Departments, visited the Chamber on the 2nd August 1937, and discussed informally the following questions with the Committee :—

1. Position of British Shipping in the Far East.
2. Formation of a Central Statistical Department.
3. Budget Estimates of the Persian Gulf Lighting Service.
4. Duty on Flour imported into Burma.
5. Tariff Valuations of Copper and Yellow Metal Sheets.

VISIT TO THE CHAMBER OF THE CHIEF COMMISSIONER AND THE FINANCIAL COMMISSIONER OF RAILWAYS.

THE HON'BLE SIR GUTHRIE RUSSELL, KT., Chief Commissioner of Railways, and MR. B. M. STAIG, Financial Commissioner of Railways, visited the Chamber on the 3rd August 1937. SIR MAURICE BRAYSHAY, Agent, B. B. & C. I. Railway, and MR. L. WILSON, Agent, G. I. P. Railway, were also present by invitation.

The following subjects were discussed informally with the Committee :—

(1) Railway Risk Note, Form B.

(2) Portfolio of Communications.

(3) Items arising from the Wedgwood Report—

(*a*) Transit of Traffic ;

(*b*) First and Second Class Travel ;

(*c*) Incivility and dishonesty of railway servants ;

(*d*) Rates and fares ;

(*e*) Co-ordination of road and rail transport ;

(*f*) Railway participation in road services,

(*g*) Clerical Formalities and Risk Note, Form A.

VISIT TO THE CHAMBER OF THE INDIAN GOVERNMENT TRADE COMMISSIONER, JAPAN.

MR. R. R. SAKSENA, Indian Government Trade Commissioner for Japan, visited the Chamber on the 18th March 1937 and had an informal discussion with certain members of the Chamber on the following matters affecting their trade with Japan :—

(1) Imports of spurious Fents.
(2) Trade Marks and Designs.
(3) Liquidation of Debts.
(4) Freight space for Cotton Shipments.

In connection with the latter item the Committee subsequently brought to the notice of the Government of India through Sir Leslie Hudson, the Leader of the European Group in the Central Legislature, the inconvenience that was being experienced by exporters and the Banks owing to the former being unable to ship their cotton to Japan as a result of a shortage of freight space available.

VISIT TO THE CHAMBER OF MR. J. F. SHEEHY.

MR. J. F. SHEEHY, I.C.S., Member, Central Board of Revenue, accompanied by KHAN BAHADUR J. B. VACHHA, C.I.E., Commissioner of Income-tax, Bombay Presidency and Sind, visited the Chamber on the 25th June 1937, and informally discussed the following subjects with the Committee and the Income-tax Sub-Committee :—

(1) Carry Forward of Business Losses.
(2) Wiping out of arrears of Depreciation.
(3) Double Income-tax Relief.
(4) Super-tax on Companies.
(5) Assessment of Rent.
(6) Liability of non-residents purchasing goods in British India for re-sale abroad.

FAREWELL ADDRESS TO HIS EXCELLENCY THE LORD BRABOURNE.

(*See Report* 1933, *pages* 14, 353.)

The Committee of the Chamber on behalf of the members presented a farewell address to His Excellency the Right Honourable The Lord Brabourne, G.C.I.E., M.C., Governor of Bombay, at the Secretariat on Tuesday, 14th September 1937 at 6 p.m. The Committee also presented to His Excellency a special bound volume of the History of the Chamber. The full texts of the address and of His Excellency's reply will be found in the Appendices.

ADDRESS OF WELCOME TO HIS EXCELLENCY SIR ROGER LUMLEY.

The Committee of the Chamber on behalf of the members presented an address of welcome to His Excellency the Right Honourable Sir Roger Lawrence Lumley, G.C.I.E., Governor of Bombay, at Government House, Malabar Point, on Tuesday, 9th November 1937, at 3 p.m. The Committee also presented to His Excellency a special bound volume of the History of the Chamber. The full texts of the address and of His Excellency's reply will be found in the Appendices.

CORONATION OF THEIR MAJESTIES THE KING-EMPEROR AND QUEEN-EMPRESS.

On the occasion of the Coronation of Their Majesties the King-Emperor and Queen-Empress, the following message of congratulation was transmitted by the Committee of the Chamber through the Chief Secretary to the Government of Bombay :—

"The members of the Bombay Chamber of Commerce desire to offer, together with their humble duty, their loyal congratulations to Their Majesties the King-Emperor and the Queen-Empress on the occasion of their Coronation, and to express their heartfelt wishes for a long and prosperous reign."

The Government of Bombay declared Wednesday, 12th and Thursday, 13th May 1937 to be public holidays under the Negotiable Instruments Act on account of the Coronation of Their Majesties in London.

The Committee of the Chamber also declared Wednesday, 12th May 1937 to be a holiday under Charter Parties.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

Resolution of Loyalty to His Majesty the King-Emperor.

In terms of a resolution passed at the annual general meeting of the Associated Chambers of Commerce of India in December 1936 a cable was despatched to the Private Secretary to His Majesty King George VI at Buckingham Palace, London, reading as follows :—

"At their annual meeting here the Associated Chambers of Commerce of India passed unanimously the following resolution, begins, Associated Chambers with humble duty offer their profound loyalty to His Majesty King George VI, ends. May I ask you convey this to His Majesty."

In connection with the above message the undernoted letter was received by the Associated Chambers from the Government of Bengal, Political Department :—

"I am directed to inform you that your message of loyalty was duly laid before His Majesty the King-Emperor and to convey to you on His Majesty's behalf His appreciation of the sentiments expressed therein."

CENTRAL ADVISORY COMMITTEE FOR LIGHTHOUSES.

Chamber's Nominee.

(*See Report* 1936, *page* 16.)

In February 1937 Mr. A. K. G. Hogg, one of the representatives of the Associated Chambers of Commerce of India on the Central Advisory Committee for Lighthouses,

resigned his seat on transfer from Bombay and the Committee of the Chamber nominated MR. G. S. TAUNTON to serve in his stead.

Subsequently the Associated Chambers of Commerce of India informed the Chamber that the names of the following gentlemen had been forwarded to the Government of India for appointment to the Central Advisory Committee for Lighthouses as the representatives of the Associated Chambers :—

Mr. A. K. G. Hogg	Calcutta.
Sir Frank Birley, M.L.C.	Madras.
Mr. G. S. Taunton	Bombay.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

REPRESENTATIVE OF THE ASSOCIATED CHAMBERS.

(*See Report* 1936, *page* 14.)

In December 1937 SIR JOSEPH KAY, who was nominated in January 1937, to serve as the representative of the Associated Chambers of Commerce of India on the Governing Body of the Imperial Council of Agricultural Research, resigned his seat and MR. R. SCHERER was nominated by this Chamber to serve in his stead.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

MEMBERSHIP.

(*See Report* 1936, *page* 15.)

It was recorded in the Chamber's Report for 1936 that at the annual general meeting of the Associated Chambers of Commerce of India held in December 1936 the Articles of Association were amended so as to make it possible for the Burma Chamber, on the separation of Burma from India and for other Chambers similarly situated to retain or join

the membership as "Associate" members having all the privileges of "Original" and "Additional" Members excepting that Associate Members will neither have any vote on matters appertaining to the business of the Association nor be entitled to hold any office in the Association.

In March 1937 the Burma Chamber tendered its resignation of its original membership of the Association with effect from the 1st April 1937 and applied for admission as an Associate Member from the same date.

In response to an enquiry from the Associated Chambers the latter was informed that this Chamber approved the proposed admission of the Burma Chamber to Associate Membership of the Associated Chambers as from 1st April 1937.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

ANNUAL MEETING, 1937.

The annual meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 20th December 1937. The proceedings were opened by His Excellency the Right Honourable the Marquess of Linlithgow, P.C., K.T., G.C.S.I., G.C.I.E., O.B.E., D.L., T.D., Viceroy and Governor-General of India. This Chamber was represented by MR. G. H. COOKE, President of the Chamber and Deputy President of the Associated Chambers, MR. A. MCINTOSH, Vice-President of the Chamber and SIR LESLIE HUDSON, KT., M.L.A.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. Relief from double taxation of income.
2. Withdrawal of tariff valuations without notice.
3. Shortcomings of the Posts and Telegraphs Services.
4. Navigation lights for country craft on rivers.
5. The remaining surcharge on income-tax and super-tax.
6. Taxation of foreign incomes of residents not domiciled in India.
7. Stamp duty on Inland Currency Bills.

A resolution in connection with the following was carried *nem con* :—

5. Protection of Indian cotton growers.

Of the above resolutions Nos. 2 and 6 were moved by the Bombay Chamber.

CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE.

The International Chamber of Commerce held its Biennial Congress in Berlin from the 28th June to the 3rd July 1937, and invited this Chamber, which is a non-member organisation, to be represented.

The Committee nominated the Hon'ble MR. R. H. PARKER to attend the Congress.

GOVERNMENT OF INDIA CENTRAL STATISTICAL DEPARTMENT.

At the annual meeting of the Associated Chambers of Commerce of India, held at Calcutta in December 1936, a resolution was unanimously adopted in the following terms :—

"Considering (1) the great importance to the business community in present day trading conditions of the prompt publication of full and reliable statistics, and (2) the vital necessity of such statistics as a sound basis for shaping commercial and industrial policy and for the conduct of trade negotiations with other countries, this Association urges the Government of India to undertake without delay the establishment of a Central Statistical Department on up-to-date lines."

Copies of the resolution and of the report of the discussion which preceded its adoption, were duly forwarded to the Government of India, Department of Commerce, for consideration, and in May 1937 a reply was received from the Government of India, stating that the question of establishing a Central Statistical Organisation in New Delhi was receiving the consideration of the Central Government and that it was hoped that the new organisation would be set up by April 1938.

PROPOSED ALL-INDIA INDEX NUMBER OF WHOLESALE PRICES.

In January 1937 the Director-General of Commercial Intelligence and Statistics informed the Chamber that his Department had under consideration the question of constructing a new all-India Index Number of Wholesale Prices and asked the Chamber to advise him as to the representative varieties of the various commodities that should be included in the index number. In order to explain the object of the proposal and to discuss personally the principles and details regarding the selection of representative quotations, Mr. M. V. Joshi, Deputy Director of Statistical Research, Department of Commercial Intelligence and Statistics, met the Statistics Sub-Committee of the Chamber on the 2nd April 1937. All members of the Chamber were at the same time circularised and asked to inform the Committee what representative varieties of the commodities in which they were interested should, in their opinion, be included in the Index Number. The replies received from the various members were considered by a special Sub-Committee of the Chamber and in addressing the Deputy Director, Statistical Research Branch, New Delhi, in the matter the Committee informed him that in considering what might be taken as representative standards for each of the commodities, the following tests had been applied: (*a*) That its price should move consistently with that of other members of the same commodity group or the majority of them. (*b*) That it should be in popular demand. (*c*) That it should, taken in the aggregate, represent a considerable proportion of the trade in that commodity. (*d*) That it should be truly representative in character.

In a number of cases it was found that no single member of the commodity group could be said to be by itself representative and in such cases the Committee recommended that several members of the group should be adopted

as standard. These when taken together were, in the opinion of the Committee, representative and satisfied the tests applied.

For the reason that Bombay was not a principal market and that no member of the Chamber appeared to be engaged in the trade and price quotations were not readily available the Committee were unable to recommend representative standards for some of the commodities, but recommended standards for the other commodities.

The text of the Chamber's letter is printed in full in the Appendices.

ACCOUNTS RELATING TO THE INLAND (RAIL AND RIVER BORNE) TRADE OF INDIA.

Proposed Amplification.

In July 1937 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to expand the lists of commodities and territorial blocks in use in the Inland Trade Returns so as to make them correspond more or less with those included in the Returns in use prior to 1933.

All members were circularised in the matter and from the replies received it appeared that no members regarded the expansion of the existing statements as desirable with the exception of one firm who was in favour of adopting the old lists including soap also in the list of commodities. One of the railways stated that they were, at the moment, compiling certain weekly and monthly statistics on behalf of the Director-General and these statistics were apart altogether from those extracted for the Railway Board. They suggested that it would be desirable for one set of statistics to be compiled which might be suitable for both purposes.

A reply was sent to the Director-General of Commercial Intelligence and Statistics in the above terms.

LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

(*See Reports* 1935, *page* 112, *and* 1936, *page* 66.)

In November 1936 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any suggestions to put forward for the amendment of the list of articles specified in the Sea-borne Trade Returns of British India.

All members were circularised in the matter and several suggestions were received all of which were submitted to the Director-General for his consideration.

DRAFT RULES UNDER THE INDIAN SECURITIES ACT, 1920.

In December 1937 the Government of Bombay published under Notification No. 489E, certain draft rules under the Indian Securities Act, 1920.

The draft notification was considered by the Finance Sub-Committee, and as a result of their findings the Committee advised the Government of Bombay, Finance Department, that they considered that the rules applicable to Government of India Securities and Provincial Securities should, as far as possible, be identical. Further, as the Committee understood that all Provinces would of necessity have to issue separate rules under the Act, they laid stress on the importance of the rules for each Province being identical in every respect for the reason that considerable inconvenience would be caused to investors in Provincial Securities if such rules were not identical, since it would militate against the negotiability and consequent popularity of Provincial Securities if, for instance, an endorsement on a Government Promissory Note valid in one Province was not acceptable in another.

The Committee at the same time forwarded a copy of the Government Notification to the Associated Chambers of Commerce of India together with a copy of this Chamber's

letter to the Government of Bombay and pointed out that they placed much importance on the two overriding principles contained therein.

The Committee suggested that a letter should be circulated to all constituent Chambers pointing out the need of urging their respective Provincial Governments to accept uniformity in this important matter.

GOVERNOR-GENERAL'S EXECUTIVE COUNCIL.

PORTFOLIO OF COMMUNICATIONS.

(*See Report* 1935, *page* 38.)

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1934, a resolution was adopted unanimously in the following terms :—

"That in the opinion of this Association it is essential in the interests of the co-ordination of transport throughout India that early steps be taken to re-distribute the portfolio of the Governor-General's Executive Council in order to provide for a Member for Communications whose portfolio should include Railways, Roads, Civil Aviation and Posts and Telegraphs but should exclude Inland Water Transport and Coastal Shipping which should be included in the portfolio of the Member for Commerce."

In addressing the European Group in the Central Legislature on the question in April 1937, the Committee pointed out that the Bombay Chamber had always been in favour of the establishment of a separate portfolio for communications in the Executive Council of the Governor-General and they expressed a hope that the Group would take such action as might be possible during the ensuing session to demonstrate that there was still a very considerable body of opinion in favour of the co-ordination of the different forms of transport under one minister.

The following Press *communiqué* was issued by the Government of India on the 15th April 1937 :—

The Government of India have already announced their acceptance of the principle that the various branches of activity in the Central Government relating to communications be combined to form a single portfolio of communications. The Governor-General has now decided to effect redistribution of the portfolios for this purpose.

Minor details of distribution and consequent departmental arrangements are now under consideration, but the main features of redistribution will be as follows.

The portfolio of communications, which it is intended to assign to Sir Thomas Stewart, will include railways, posts and telegraphs, aviation, roads, broadcasting and ports, possibly some other cognate subjects.

The Industries and Labour portfolio comprising a majority of subjects dealt with in the Industries and Labour Department with practically all subjects other than ports now coming under the Commerce Department, will be designated the portfolio of Commerce and Labour and assigned to Sir Zafrullah Khan.

The changes will necessitate considerable re-adjustment of the staff, office accommodation, etc., and will come into effect when the Government of India move in the autumn from Simla to New Delhi.

A further *communiqué* was issued from the office of the Secretary to the Governor-General on the 16th June 1937 :—

In connection with the decision to form a portfolio of communications, which was announced in April last, the departmental distribution has now been considered and the following decisions have been taken.

2. In place of the two existing Departments of Commerce and Industries and Labour, there will be three Departments, *viz.*, a Department of Commerce, a Department of Communications and a Department of Labour. The Commerce Department will deal with all the subjects at present entrusted to it, except Ports (including Pilotage within Ports) and Inland Navigation, which will go to the Communications Department. The Commerce Department will in future be responsible also for Industries, including Stores, Industrial Research and Exhibitions, and will deal with Patents and Designs. It will thus deal generally with Commerce, Industries, Industrial Property, Insurance and Actuarial work and " blue-water " Shipping.

3. The Department of Communications will deal with Posts and Telegraphs, Broadcasting, Civil Aviation, Meteorology, Ports and Inland Navigation, and Roads. Railways will continue to form a

separate Department, but this will be under the same Member of Council as the Communications Department, and it is intended that the Secretary for Communications should attend meetings of the Railway Board as an *ex-officio* member.

4. The Department of Labour will deal with all the labour subjects now dealt with in the Department of Industries and Labour and will also assume responsibility for labour in docks and for the administration of certain statutes affecting labour on railways. It will deal also with Public Works and Irrigation, with Mines, including Minerals and Geology, with Technical Education so far as that concerns industry, with Printing and Stationery, and with various items of safety legislation and administration such as Boilers, Electricity, Explosives, and Petroleum.

5. Ecclesiastical affairs which are at present dealt with in the Department of Industries and Labour will be dealt with in the Defence Department.

6. The Departments of Commerce and of Labour will be under the charge of Sir Zafrulla Khan, who will be designated Member for Commerce and Labour, and the Departments of Communications and Railways will be under the charge of Sir Thomas Stewart, who will be designated Member for Communications. The change in portfolio will take place at the autumn move of the Goverment of India from Simla to New Delhi. The departmental adjustments are under consideration.

TRIAL OF COMMERCIAL CAUSES BY THE BOMBAY HIGH COURT.

(*See Reports* 1917, *pages* 14, 152 ; 1924, *Vol. I, page* 143 ; 1925, *Vol. I, page* 59 ; 1926, *Vol. I, page* 100 ; 1927, *Vol. I, page* 85 ; 1936, *page* 54.)

It was recorded in the Chamber's Report for 1936 that the Committee had addressed the Prothonotary of the Bombay High Court suggesting that the previous practice by which the Prothonotary was empowered to decide whether or not a suit should be admitted as a commercial suit should be reverted to. The Committee also supported the request of the Indian Merchants' Chamber that Rule 199 of the High Court should be widened so as to include all transactions of a commercial or business nature,

such, for instance, as suits by commission agents for debts due by their constituents and that the definition of commercial causes should be made clear and comprehensive.

In reply the Prothonotary stated that the Chamber was under some misapprehension that there had been a tendency on the part of the Judges to put a restrictive meaning on the above Rule 199. He pointed out that the Rule was almost identical with the English Rule and in the opinion of Their Lordships it was wide enough and gave ample discretion to the Judges to decide from the nature of the dispute whether a suit was a commercial cause or not. Their Lordships therefore did not see any reason to revert to the previous practice and amend Rule 199 on the lines suggested by the Indian Merchants' Chamber.

After consulting the Chamber's solicitors the Committee decided to take no further action at the moment but they requested the solicitors to report to the Chamber at a later date whether any difficulty was experienced in the interval in getting suits tried as commercial causes.

In a notice that appeared in the Government *Gazette* of the 8th April 1937, it was stated that the Hon'ble the Chief Justice and Judges were pleased to direct that the following amendment and addition be made in the Rules and Forms of the Bombay High Court Original Side 1936 :—

"Insert the words 'whether of a simple or complicated nature' after the word 'traders', in line 3, Rule 199, at page 54."

Rule 199 as amended reads as follows :—

"199. Commercial causes include causes arising out of the ordinary transactions of merchants, bankers and traders whether of a simple or complicated nature ; amongst others, those relating to the construction of mercantile documents ; export or import of merchandise affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages."

ADMISSION OF COMMERCIAL DOCUMENTS IN EVIDENCE WITHOUT FURTHER PROOF.

(*See Reports* 1926, *Vol. I, page* 98 ; 1927, *Vol. I, page* 87 ; 1929, *Vol. I, page* 44 ; 1931, *page* 57.)

In March 1937 the Government of India published a Bill which had for its object the amendment of the law of evidence with respect to certain commercial documents. In the statement of objects and reasons appended to the Bill it was mentioned that certain commercial documents were by the practice of merchants accepted as evidence and taken as *prima facie* correct, but in a court of law they could not, in the absence of consent by the parties, be admitted in evidence without testimony as to their genuineness or the correctness of the statements made therein. Such documents were not admissible in evidence under section 32 or any other provision of the Indian Evidence Act, 1873, without further proof. The result was that a party desirous of delaying the proceedings could often insist on the other side getting Commissions issued to take evidence as to facts which were for all practical purposes sufficiently established by the documents in question.

It was therefore proposed to undertake legislation on the lines of the Bankers Books Evidence Act, 1891, so as to provide that commercial documents which were accepted as *prima facie* correct in commercial circles might be admitted in evidence without formal proof. A list of such documents had been prepared in consultation with Commercial Associations and Local Governments, and was included in the Schedule to the Bill, power being reserved to the Government of India to add to the list from time to time and to remove items from it.

In addressing the Associated Chambers of Commerce of India in regard to the Bill the Committee stated that the views they were putting forward in respect of certain documents that it was proposed to include in the Schedule of the Bill might appear to be somewhat at variance with the

views previously expressed by this Chamber in respect of the same documents. On reconsideration it seemed to the Committee that there was a great deal of force in the contention of the solicitors of the Bengal Chamber, that the documents which were under discussion should be divided into two categories, (*i*) public or quasi-public and (*ii*) private, and that generally speaking documents in category (*i*) should be included and documents in category (*ii*) should be excluded and this distinction was clearly kept in view by the Committee in considering the documents mentioned in the Schedule of the Bill under consideration.

It seemed to the Committee that there must be grave difficulty in placing certain documents of a private nature in a privileged position under a Bill of this kind. If a question arose as to such a document, it would probably be as to the subject-matter of the litigation itself. The Committee could not see how it could be politic for the law to place any party setting up a private document in a privileged position however great the inconvenience which might in many a case be caused to honest litigants who were put to strict proof of perfectly genuine documents.

The Bill proposed not only to raise a presumption as to due execution of documents (section 3) but to make statements in them admissible as evidence of the facts stated. The Committee thought the latter proposal was even more objectionable in regard to private documents than the former. The difficulty became obvious when some of the private documents proposed to be included were considered. A Bill of Exchange (item 35) was among them. What statement of fact did this contain ?

In the opinion of the Committee, the proper solution in regard to private documents was to be sought by amending the provisions of the Civil Procedure Code as to notices to admit documents and facts. A Bill such as the one under consideration should be confined to documents of public or quasi-public nature which were generally accepted by

commercial men as authentic and were unlikely to form the direct subject-matter of litigation. By "public or quasi-public" was meant emanating from a responsible authority or body and/or prepared by a responsible officer in the execution of his duties: this definition was advanced in order to include such a document as a ship's log. In accordance with this distinction, the Committee considered that the following items should be excluded from the Schedule of the Bill:—

Item 32.—Charter Party and Bill of Lading.
Item 33.—Bill of Exchange.
Item 34.—Bank Draft, Letter of Credit, etc.
Item 39.—Balance sheet and auditor's report.
Item 43.—Statutory Declarations.

In regard to item 13 (Dock Certificate, Dock Challan, etc.), item 36 (Port Receipts, etc.) and item 40 (Insurance Policies), the Committee did not express a definite opinion in favour of excluding them. They considered that if the distinction between public or quasi-public documents and private documents was kept clear and documents in the latter category were excluded from the Schedule to the Bill, the objection which they raised to the inclusion of documents of a party to a suit would be substantially met. The above mentioned documents might possibly be open to that objection.

The Committee realised that there might be some body of business opinion which favoured the inclusion of certain private documents. They sympathised with the desire to prevent the shifts of unscrupulous adversaries who raised frivolous objections to perfectly genuine documents, but considered that in regard to the transactions and documents of private persons, the well-tested rules of evidence as evolved in the practice of the English legal system should not be lightly tampered with.

The Chamber was subsequently informed that the views put forward by the Committee as well as those of

the other constituent Chambers had been forwarded to the Government of India with a request that they would receive due consideration from Government.

"JANGAD" TRANSACTIONS IN SALES OF DIAMONDS, ETC.

In March 1937 the Committee addressed the Government of India in support of a representation that had been addressed by the Diamond Merchants' Association to the Honourable the Law Member of the Executive Council of His Excellency the Viceroy and Governor-General in regard to the difficulties that had arisen in the precious stones trade as a result of a judgment of the Bombay High Court in Criminal Appeal No. 413 of 1935.

The Committee informed the Government of India that in their opinion the judgment in question had upset the whole basis on which business in precious stones had been conducted for many years past and they felt strongly that very early steps should be taken by Government to amend the law so as to remove the difficulties which were causing serious embarrassment to the trade in question.

The Bombay Diamond Merchants' Association had represented that, as a result of this judgment, the jewellery trade in India would be seriously disorganised in that according to the generally accepted custom of the trade the transaction known as "Jangad" constituted a mere entrustment of the property to another person for the specific purpose of inspection, approval and similar action short of affecting a *bona-fide* sale with the consent of the owner. The Bombay High Court held that the expression "Jangad" meant in all cases "sale or return" and held that that being so, property in the Jangad goods passed to the accused under section 24 of the Indian Sale of Goods Act, 1930. The Court further held that a "Jangad" transaction placed the parties in the relationship of seller and buyer, that is principal and principal.

THE INDIAN COMPANIES ACT.

(*See Reports*, 1926, *Vol. I*, *page* 163 ; 1928, *Vol. I*, *page* 69 ; 1929, *Vol. I*, *page* 44 ; 1930, *Vol. I*, *page* 39 ; 1931, *Vol. I*, *page* 60 ; 1932, *page* 378 ; 1933, *page* 20, 1934, *page* 43, 1935, *page* 68, 1936, *page* 34.)

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1936 the following resolutions were adopted :—

"While welcoming the Indian Companies (Amendment) Act, 1936 as a whole as a reasonable and desirable measure of reform, this Association considers that, in the light of further examination of the Act as it passed the Legislature and of practical experience in giving effect to its provisions, certain points require the early attention of the Government of India with a view to the passage of a further short amending Act at the earliest opportunity."

"This Association considers that Regulation 56 of Table "A" which must now, by Section 17(2) of the Act, form part of the Articles of Association of every Company and is unalterable, appears to be repugnant to Section 79(1)(c) of the Act, as amended, and that an early amendment by way of clarification is desirable."

"Whereas Regulation 78 of Table "A" must now by Section 17(2) of the Act, form part of the Articles of Association of every Public Company and every Private Company which is a subsidiary of a Public Company and is unalterable ; and whereas such Regulation requires the retirement of all the Directors at the first ordinary meeting and thereafter one-third of the Directors each year : this Association considers that Regulation 78 of Table "A" is repugnant to Sections 83B(2) and 87 I of the Act, as amended, and should be altered to make it clear that Directors appointed otherwise than by the Company in General Meeting are not liable to retirement by rotation."

"This Association considers that Sub-section (3) of Section 91A of the Indian Companies Act, 1913 as introduced by Section 46 of the Indian Companies (Amendment) Act, 1936 is contrary to the principle of secrecy which is essential to the proper conduct of the business of any Company and recommends to the Government of India that early steps be taken to delete Sub-section (3) and so prevent the ill consequences that must necessarily ensue from such a provision."

In March 1937 a Committee of Lawyers and Accountants which had been formed by Sir Nowroji Saklatvala, presented a report upon the Indian Companies (Amendment) Act, 1936, and in particular drew attention to such

of the provisions thereof as they considered were impracticable or unworkable or were inconsistent with other provisions of the Act, or were ambiguous and likely to lead to dispute.

The report was considered by the Committee of the Chamber who felt that while greater experience of the working of the Act was desirable before any attempt was made to press for amendments of a general nature or in connection with clauses on which opinions might vary, an endeavour should be made to have the Act amended in respect of any sections or sub-sections which were found unanimously to be ambiguous or unworkable or inconsistent with the provisions of the Act and which were causing trouble and inconvenience in the day to day administration of Joint Stock Companies.

The Chamber was also addressed by the Bengal Chamber on the subject and after consultation with the Chamber's solicitors the Committee suggested to the Bengal Chamber that the Associated Chambers of Commerce of India should be requested to recommend to the Government of India that immediate action should be taken in connection with the amendment of the undermentioned sections and sub-sections of the Indian Companies Act and regulations of Table A in the First Schedule to the Act set out below and also of Form XXVI and the Notification of the Government of India, dated the 16th January 1937, for the reasons and upon the lines set out in the report of Sir Nowroji Saklatvala's Committee :—

Sections 17, 34, 78, 79(1)(*a*), 79(1)(*e*), 86F, 86I, 87C (depreciation), 87D(5), 90, 91A(3), 91D(2), 105C, 109, 130(2), 144(5) (iv), 277F(2), 282B(2).

Regulations of Table A, 56, 71, 77, 78-82, 112(2), 116.

In July 1937 it came to the knowledge of this Chamber that the Government of India had circulated to Provincial Governments a summary of proposals received by the Central Government from time to time for the further

amendment of the Indian Companies Act, 1913, mainly for the reconciliation of certain inconsistencies in the wording of the Act which had been revealed since the passing of the Indian Companies (Amendment) Act, 1936. The Government of Bombay did not circulate to this Chamber the Government of India's summary for opinion. A copy of it was, however, obtained through the good offices of the Bengal Chamber to whom it had been submitted for opinion by the Government of Bengal. After consulting the Chamber's solicitors the Committee forwarded to the Government of India a memorandum giving (1) their observations on all the sections of the Act referred to in the Government of India's summary and (2) their views on the amendment of a number of sections not referred to in the summary, but which in their opinion urgently required amendment. The Chamber's letter to the Government of India is reproduced in full in the Appendices.

A Bill was introduced in the Central Legislative Assembly on the 23rd August 1937 for the purpose of removing the inaccuracies and correcting the errors which had crept into the Indian Companies Act, 1913, in the course of the amendment of that Act by the Indian Companies (Amendment) Act, 1936. The Bill was referred to a Select Committee whose report was presented on the 2nd October 1937. The Committee's comments on the Bill and the Report of the Select Committee are also printed in full in the Appendices.

STAMP DUTY ON INLAND CURRENCY BILLS.

(*See Report* 1926, *Vol. I, page* 105.)

In June 1937 the Associated Chambers of Commerce of India asked for the views of the Chamber on a suggestion of the Upper India Chamber that the Government of India be addressed with a view to having the stamp duty on inland currency bills abolished at an early date.

The Committee informed the Associated Chambers in reply that they were not prepared to support the suggestion of the Upper India Chamber but they would recommend a flat rate of stamp duty of one anna on each inland currency bill.

Subsequently the Associated Chambers intimated that with the exception of the Bombay and Madras Chambers all the other constituent Chambers were agreeable that the Government of India should be addressed in support of the proposal for a reduction in the duty. The Associated Chambers enquired whether this Chamber had any further comments to put forward.

The Committee informed the Associated Chambers that they adhered to their original view but would raise no objection if the majority view was accepted by the Associated Chambers.

Later, the Associated Chambers asked for the views of this Chamber on a suggestion of the Bengal Chamber that the Association should press for a reduction in the stamp duty recommended by the Reserve Bank of India, namely, a reduction to two annas per thousand rupees as against the existing duty of 14.4 annas per thousand rupees.

The Committee informed the Associated Chambers that in their opinion the revised proposal of the Bengal Chamber did not meet the needs of the case as adequately as their own first proposal and whilst they were prepared to agree in deference to the majority view to the abolition of the stamp duty altogether, they were not prepared to modify their opinion in the opposite direction. In a subsequent letter the Committee advised the Associated Chambers that they wished to reserve their judgment until the actual terms of a resolution it was proposed to bring up at the annual general meeting of the Association had been examined.

The following resolution was moved by the Bengal Chamber at the annual general meeting of the Associated

Chambers held at Calcutta on the 20th December 1937. It was accepted by this Chamber's representative and carried unanimously:—

"This Association directs the early attention of the Government of India to the serious extent to which the present high rate of stamp duty on inland currency bills has restricted the use of such bills in the finance of inland trade and agriculture of this country and urges upon Government the desirability of restoring and encouraging the use of these bills by the immediate adoption of the Reserve Bank of India's recommendation that the rate of duty on bills of less than one year's usance be reduced to two annas per thousand as against the present duty of 14.4 annas per thousand rupees."

CLOSING OF THE STAMP OFFICE DURING CHRISTMAS HOLIDAYS.

(*See Reports*, 1898; *page* 225; 1899, *page* 199; 1927, *Vol. I, page* 20; 1928, *Vol. I, page* 34; 1936 *page* 30.)

In November 1937 the Superintendent of Stamps notified the Chamber that the Stamp Office would be closed on Friday, 24th December, Saturday, 25th December and from Thursday to Saturday, 30th December to 1st January 1938. The office would be kept open for urgent work from 11 a.m. to 1 p.m. on the 27th, 28th and 29th December 1937.

In a notification issued on the 5th of January 1937 the 24th, 25th, 26th and 31st December were declared as holidays for the Stamp Office. This meant that the 27th, 28th, 29th and 30th December would be working days, but by the notification of November the Stamp Office would be open only on the 27th, 28th and 29th December.

The Committee accordingly addressed the Superintendent of Stamps and pointed out that from a business viewpoint it would be preferable if the latter dates could be changed to Monday, Tuesday and Thursday, the 27th, 28th and 30th December, respectively.

The Committee also stated that it had been brought to their notice that the Stamp Office in the other main ports of India were closed on official bank holidays only

and as the closure of the Stamp Office on days other than such holidays entailed inconvenience to the commercial community, the Committee enquired whether it would not be possible for the Stamp Office in Bombay to restrict its closing to official holidays only in accordance with the practice obtaining in Calcutta, Madras and Karachi.

The Superintendent stated that as was desired by the Committee, the General Stamp Office would be kept open on Monday, Tuesday and Thursday, the 27th, 28th and 30th December respectively instead of Monday, Tuesday and Wednesday, the 27th, 28th and 29th December 1937.

The Superintendent also informed the Chamber that in future the Stamp Office would remain open from 11 a.m. to 1 p.m. for transaction of urgent business on holidays which were not Bank holidays. Such holidays would be the following :—

Four days during Christmas week.
The day following New Year.
The Makarsankranti Hindu holiday.
The Goodipadwa Hindu holiday.

BANKRUPTCY NOTICES.

In May 1937 the Bombay Incorporated Law Society asked for the support of the Chamber to a petition that that body had addressed to His Excellency the Viceroy and Governor-General in Council suggesting that the Indian Insolvency Laws should be amended by providing for a procedure on the lines of the " Bankruptcy Notice " under the English Bankruptcy Acts.

In addressing the Government of India in the matter the Committee stated that they understood that the difficulties of judgment creditors in India had been very greatly increased by the recent amendment of section 51 of the Code of Civil Procedure and they felt that the adoption of the procedure of Bankruptcy Notice would go far to redress the balance which now existed in favour of the

dishonest judgment debtor. The Committee therefore supported strongly the suggestion of the Bombay Incorporated Law Society for the amendment of Section 9 of the Presidency Towns Insolvency Act and the corresponding section of the Provincial Act.

INDIAN LIMITATION ACT, 1908.

BOMBAY AMENDMENT.

In September 1937, a Bill was introduced in the Bombay Legislative Assembly for the purpose of amending the Indian Limitation Act, 1908, in its application to the Province of Bombay.

In the statement of objects and reasons appended to the Bill it was mentioned that the period of limitation for summary suits under Article 5 in the First Schedule to the Indian Limitation Act, 1908, as amended by Act XXX of 1925, was one year. The Civil Justice Committee had recommended in paragraph 7 of Chapter 41 of their Report (pages 489-490) that the period of limitation for such suits should be raised to three years.

It had been found by experience that the period of limitation of one year was too short and that consequently a large number of suits which could have been filed as summary suits had to be filed as ordinary suits after the period of limitation had expired with the result that the trial of these cases took a much longer time according to the ordinary procedure. The object of the Bill was to remove this difficulty. A provision was added to exclude suits which might be pending at the date of the Act from the extended period of limitation.

The Committee informed the European Group in the Bombay Provincial Legislature, by whom the Bill had been referred to them for opinion, that they had no objection to the terms of the Bill.

The Bill passed both Houses of the Provincial Legislature and received the assent of His Excellency the Governor on the 15th January 1938 (Act VI of 1937).

INCOME-TAX ENQUIRY.

(*See Reports*, 1934, *page* 54; 1935, *page* 44.)

The Government Committee of Income-tax Experts who were appointed in 1935 to conduct an enquiry into the income-tax system in India submitted their report to the Government of India in December 1936. The Report was made available to the public in January 1937. A special Sub-Committee of the Chamber examined the report and the views of the Chamber on Part II of the Report (Administration) were submitted to the Central Board of Revenue on the 29th April 1937 and on Part I on the 16th July 1937. These letters are printed in full in the Appendices.

TAXATION OF FOREIGN INCOMES OF RESIDENTS NOT DOMICILED IN BRITISH INDIA.

Arising out of the discussions on the recommendations contained in the Income-tax Enquiry Report 1937, the Committee obtained expert advice as to the liability for income-tax of a British subject domiciled in India but "ordinarily resident" in the United Kingdom and it appeared that British subjects who could prove to the satisfaction of Commissioners of Inland Revenue legal domicile in India (whether or not they were "ordinarily resident" in the United Kingdom) would be assessable only on a remittance basis in regard to Foreign and Dominion income for any year in which they became technically resident in the United Kingdom.

The Committee addressed the Central Board of Revenue in the matter and pointed out that as neither a foreigner nor a British subject "ordinarily resident" but not domiciled in the United Kingdom was taxed on any foreign and Dominion income accruing to him but not remitted to the United Kingdom they failed to see on what ground

the foreign and Dominion income of foreigners and British subjects " ordinarily resident " but not domiciled in India should be made subject to Indian income-tax, except on a remittance received basis.

The Committee suggested that, if with the very highly developed income-tax organisation in the United Kingdom, the authorities had decided not to tax the foreign and Dominion income of British subjects or foreigners " ordinarily resident " but not domiciled in the United Kingdom, there must be some very good reason either on the grounds of equity or practicability.

In order to ventilate this question the following resolution was moved on behalf of this Chamber and carried unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1937 ;—

" This Association is of opinion that the recommendations of the Income Tax Enquiry Committee to tax foreign incomes of residents not domiciled in India on the basis of whole income arising is inequitable and urges the Government of India to accept the principle of taxation on a reciprocal basis with other countries, which, in the case of the United Kingdom, renders Indians resident in the United Kingdom, assessable for income-tax on income arising in, or remitted to, the United Kingdom only."

AMALGAMATION OF INCOMES OF HUSBAND AND WIFE FOR INCOME-TAX PURPOSES.

(*See Reports* 1926, *Vol. I, page* 134 ; 1927, *Vol. I, page* 49.)

In February 1937 a Bill was introduced in the Legislative Assembly for the purpose of amending the Indian Income-tax Act, 1922. In the statement of objects and reasons appended to the Bill it was mentioned that reference was made in sections 1 and 4 of Chapter III of the Income Tax Enquiry Report, 1936, to the practices of avoiding taxation by means of nominal partnerships between husband and wife or parent and minor child or

by the nominal transfer of assets to a wife or minor child (or to an "association" consisting of husband and wife) when there was no substantial separation of the interests of the assessee and the wife or child. These practices were reported to have become very widespread, with considerable detriment to the revenue, and there was little doubt that if they were not checked there would be progressive deterioration. The proposals in the Report regarding the aggregation of the incomes of husband and wife went beyond the immediate necessities of the case and to that extent their adoption would involve the admission of a new principle which the Government of India did not desire to establish in advance of the general public discussion of the Report which had been arranged; and the Bill was so drafted as to deal only with the abuses referred to above.

The Committee approved the Bill.

The Bill was passed by both Houses of the Central Legislature and received the assent of the Governor-General on 4th March 1937 (Act IV of 1937).

RELIEF FROM DOUBLE INCOME-TAX.

HOLDING COMPANIES.

(*See Report* 1935, *page* 57.)

At the annual general meeting of the Associated Chambers of Commerce of India, held at Calcutta in December 1936, a resolution in the following terms was carried unanimously :—

"This Association urges the Government of India to extend to all holding companies the benefits of exemption from double income-tax recently conferred upon investment companies."

The terms of the resolution were duly communicated to the Government of India, Central Board of Revenue who informed the Associated Chambers that no action had yet been taken by Government on the resolution

but that the matter was under consideration in connection with the Income Tax Enquiry Report 1936, *vide* Section 3 of Chapter II of that Report.

DOUBLE INCOME-TAX RELIEF.

INDIAN STATES.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1936, the following resolution was adopted :—

" This Association is of the opinion that the procedure at present adopted in granting relief from taxation borne on the same income in both British India and Mysore or other Indian States should be reviewed in order to ensure that no income can in any circumstances bear tax twice in the hands of the same assessee, and further, that machinery be introduced to relieve assessees in British India of the necessity of making separate returns in each Indian State to which they export goods."

The terms of the resolution as well as a record of the debate leading up to its adoption were duly communicated to the Government of India, Finance Department (Central Revenues) who, in replying to the Associated Chambers, dealt with the resolution as if it fell into three parts :—

(1) that the procedure at present adopted for avoiding double taxation of the same income in British India and Mysore should be reviewed in order to ensure that no income could in any circumstances bear tax twice in the hands of the same assessee ;

(2) that the procedure at present adopted in granting relief from taxation borne on the same income in British India and in any other Indian States except Mysore should be reviewed in order to ensure that no income could in any circumstances fail to obtain such relief in the two countries as would reduce the tax suffered to that at the higher of the two rates ; and

(3) that machinery be introduced to relieve assessees in India of the necessity of making separate returns in each Indian State to which they exported goods.

The Government of India stated that as regards the first proposal, the whole subject was already under correspondence with the Mysore Government.

As regards the second proposal, the Government of India stated that no instance had been brought to their notice in which the existing double taxation relief arrangements had failed to secure the result mentioned. There had been instances where the Central Board of Revenue had been disposed to disagree with the view of the Indian State authorities as to what was taxable in the State ; but the Board had not yet reached the stage of refusing relief in any such case, so that the sufferers were not the assessees, but the Government and the general tax-payer in this country. This subject would receive special attention when the recommendation in Chapter XI, Section 4 of the Income-tax Enquiry Report, 1936, was brought under examination.

As regards the third proposal, the Government of India stated that the matter was not a simple one, since the Government of India were in no position to dictate to the States as to the procedure which they should follow in conducting their assessment proceedings. But an experiment had already been made with one small State (where, it was true, the matter was simplified by the fact that there was only one considerable assessee liable to double tax) and another similar experiment was in contemplation ; the progress of these experiments would be watched carefully with a view to considering the possibility of their extension.

After consulting the Income-tax Sub-Committee the Committee, in addressing the Associated Chambers on the subject stated that they noted that as regards Mysore the question was under correspondence and they suggested that pending a settlement the British Indian assessee in that State should receive any refund due in a manner similar to that operating with other States. The Committee also stated that as regards other States excluding Mysore they were not aware of any case where relief had not been obtained.

The Committee stated further that it seemed to them that any arrangement for relief from double taxation must be reciprocal and if British Indian subjects were exempted by Indian States from making a return it would be implicit upon the Government of India to exempt subjects of such States from making a return in regard to business done by them in British India. The Committee doubted whether such a situation would appeal to the Finance Department of the Government of India.

The Committee added that in so far as the trouble of making returns of income was concerned the making up of the Indian State Income-tax return was not nearly such a large undertaking as was imposed by the necessity of submitting returns of income to Municipalities which levied a Profession Tax.

DOUBLE INCOME-TAX RELIEF.

ADEN

In May 1937 the Central Board of Revenue issued the following circular laying down the procedure that had been agreed upon between the Government of India and the Government of Aden in regard to claims for relief from double income-tax :—

In order to reduce inconvenience to those assessees who are liable to income-tax both in British India and in Aden, the following procedure has been agreed upon between the Government of India and the Government of Aden and will be followed until further notice :—

Any assessee who is liable to tax in both countries and *whose head office is in British India* may submit in British India with his British Indian return of income a copy of his Aden return of income, subject to his clearly distinguishing in the former any income which he claims to be taxable in British India only and in the latter any which he claims to be taxable in Aden only. The Income-tax Authorities in Aden will then be informed that this has been done and will ordinarily postpone further assessment enquiry until a further reference is made by the Income-tax Authorities in British India. The British Indian Income-tax Officer will examine the accounts relating to all the income and in his assessment order will distinguish between (*i*) what he holds to be purely British Indian income (*e.g.* investment of reserves) and (*ii*)

ncome taxable in both countries (*e.g.* trading profits on sales in British India of Aden Salt). He will then issue his British Indian demand and forward to the Government of Aden a copy of his assessment order, accompanied by a note regarding his examination of the accounts relating to (*iii*) income taxable in Aden only, if any. The Aden Income-tax Officer then will, if satisfied, issue his assessment order and demand on the basis of (*ii*) and (*iii*) as reported; if not satisfied he will make further enquires. In each country the original demand, will, for form's sake, be for the total tax payable in that country but with a note to the effect that the amount in excess of .....being the sum of the estimated share of that country in the tax at the higher rate on (*ii*) and of the tax on (*i*) or (*iii*) as the case may be need not be paid pending the completion of discussions between the Income-tax departments of the two countries as to the final amount each is to receive after setting off double income-tax relief.

2. The above procedure will, it is understood, be adopted *mutatis mutandis* by the Aden Income-tax Authorities in respect of assessees who are liable to tax in both countries and *whose head office is in Aden.*

The attention of all members was duly drawn to the above circular as well as to a Notification No. 21 dated 5th June 1937 published by the Finance Department of the Government of India (Central Revenues) prescribing the forms of application for relief and of appeals against orders refusing to grant refunds.

CONTROL OF DRUGS AND MEDICINE TRAFFIC.

(*See Reports* 1930, *page* 43 ; 1933, *page* 73 ; 1935, *page* 49 ; 1936, *page* 62.)

On the 23rd August 1937 a Bill was introduced in the Central Legislative Assembly for the purpose of regulating the import into British India of certain drugs and medicines. In the statement of objects and reasons appended to the Bill it was mentioned that the Government of India had, for some time past, following the report of the Drugs Enquiry Committee, been considering, in consultation with local Governments, the question of implementing the recommendations made by that Committee for controlling the import, manufacture and sale of drugs and medicines in

India. The recommendations were based on a vast volume of evidence, both oral and written, collected by the Committee during its extensive tour in the country, and they had received widespread support in India. Government had been pressed in the Legislature, by commercial bodies, and in the public press of India without distinction of party to implement the recommendations of the Committee. In addition the question was debated in the Council of State in September 1935. It was pointed out that the subject was one which was primarily the concern of provincial Governments, and Central legislation could only deal with imports. Certain recommendations, for instance, those relating to the manufacture, storage and sale of drugs, education and control of pharmacists, were essentially for provincial Governments to deal with. The Bill excluded such matters.

The Bill was referred to a special Sub-Committee representative of the membership of the Chamber interested in the drugs and medicine trade. A deputation from the Sub-Committee headed by the President of the Chamber also interviewed the Surgeon-General with the Government of Bombay on the subject. In addressing the Surgeon-General subsequently in the matter the Committee expressed a hope that the views put forward by them would not only be passed on to the Government of India but would also receive due consideration by the Government of Bombay particularly in connection with the points raised by the Committee regarding the necessity for the immediate passing of legislation by the Government of Bombay for the control of the manufacture and sale of drugs in the Presidency. The Committee stated that in their opinion a Bill of the nature of the one under consideration was desirable as a portion of the legislation necessary to eliminate abuses existing at the moment in the drug traffic in India, and they were strongly in favour of the principle underlying it. They appreciated that, under the existing Constitution, the Government of India were not in a position to introduce legislation dealing with the manufacture and sale of drugs

in India in addition to the control of importation of drugs. Therefore, whilst welcoming the lead given by the Government of India, the Committee emphasized that, in their opinion, the control of the importation of drugs into India, without the control of the manufacture and sale of drugs in India, would not implement the recommendations submitted by the Drugs Enquiry Committee in 1930-31, which were undoubtedly based on the assumption that control would be applied simultaneously to indigenous and imported drugs. The Committee made it quite clear that in their view the conditions obtaining at the moment whereby spurious drugs were sold in considerable quantities throughout the country would not be mitigated to any practical degree if only the importation of drugs was to be regulated.

The Committee pointed out that during the course of the debate on the Honourable Khan Bahadur Dr. Sir Nasarvanji Choksy's resolution in the Council of State on the 18th September 1935 urging that early measures should be initiated to implement the conclusions of the Report of the Drugs Enquiry Committee, the Honourable Mr. Ram Chandra, speaking on behalf of the Government of India, said that it was not much use the Government of India making a start of their own. It was for the provinces also to co-operate. The Government of India could perhaps pass legislation regarding the control of imports, but the control of locally manufactured articles was also important. If locally manufactured articles were not to be controlled, control of the imported article alone would be useless.

The Committee added that they were in entire agreement with the above views and it was their opinion that if the importation of drugs was brought under control and made more costly by reason of that control without simultaneous control being applied to the manufacture and sale of drugs in the Provinces the manufacture and sale of spurious drugs to the public would be encouraged rather than reduced. The whole object underlying the proposed legislation was the protection of the public against the use of

spurious drugs, and it seemed to the Committee that no practical objectives would be attained from the Bill under consideration so long as spurious indigenous drugs and drugs adulterated after importation could be sold to the public with impunity. The Committee recommended therefore that legislation for the control of the importation of drugs should not be brought into force unless legislation for the control of the manufacture and sale of drugs was enforced by all Provinces simultaneously.

The Committee's comments on the various clauses of the Bill are printed in full in the Appendices.

INDIAN PATENTS AND DESIGNS (AMENDMENT) BILL.

(*See Reports* 1932, *page* 111 ; 1933, *page* 179 ; 1934, *page* 52.)

On the 27th August 1937 a Bill was introduced in the Legislative Assembly for the purpose of amending the law relating to the protection of Inventions and Designs. In the statement of objects and reasons attached to the Bill it was mentioned that the necessity for amending the law in order to put a stop to the import of goods bearing pirated designs registered under the Patents and Designs Act, 1911, had recently been brought to notice and experience had shown that certain further amendments of that Act to improve the law in minor respects was desirable. The bill was designed to achieve these objects.

In addressing the European Group in the Central Legislature, by whom the Bill had been referred to the Chamber, the Committee advised that they had no comments to make.

REGISTRATION OF TRADE MARKS.

(*See Reports*, 1876-77, *page* 27 ; 1877-78, *page* 33 ; 1878-79, *page* 38 ; 1879-80, *page* 38 ; 1880-81, *pages lxxxviii*, 18 ; 1883-84, *page* 152 ; 1890, *pages* 166, 215 ; 1891, *page* 168 ; 1896, *page* 96 ; 1903, *page* 41 ; 1904, *page* 48 ; 1906, *pages* 139, 543 ; 1908, *page* 24 ; 1909, *pages* 80, 541 ; 1913, *pages* 111, 697 ; 1914, *page* 59 ; 1919—*pages* 73, 459 ; 1926, *Vol.* I *page* 353 ; 1928, *Vol. I*, *page* 74 ; 1931, *Vol. I*, *page* 317 ; 1932, *page* 107 ; 1933, *page* 64 ; 1934, *page* 50 ; 1935, *page* 53 ; *and* 1936, *page* 255.)

It was recorded in the Chamber's Report for 1936 that the following Resolution was moved on behalf of the Bombay Chamber and carried unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1936 :—

"That in the opinion of this Association the Government of India should take steps without delay to enact legislation for the Registration of Trade Marks in India in such a manner as will give the registered user of any mark the right to immediate injunction preventing the use of such mark or any colourable imitation thereof by others subject only to proof of prior usage by the defendant in any dispute."

In March 1937 the Government of India in addressing Local Governments and Administrations on the subject pointed out that, at the moment, no laws existed in India for the registration of trade marks and the protection which users of such marks enjoyed under the provisions of the common law and existing statutes was extremely limited. It had been urged that in the absence of any system of registration of trade marks in this country India could not participate in the International Conventions for the Protection of Industrial Property which not only dealt with trade marks but also with patents and designs, and that this circumstance affected prejudicially the interests of Indian inventors in foreign countries.

It was contended that the absence of a Registration Act in India was (*a*) a serious handicap to honest traders desirous of placing goods upon the market under a new

trade mark; (*b*) a serious disadvantage to owners of established marks; and (*c*) the basic cause of infringement of trade mark rights.

It was contended further that the legislation proposed would (*a*) secure the publication of marks which had been appropriated as trade marks; (*b*) define the rights of proprietors of marks for the information of traders; and (*c*) limit the classes of marks which were capable of being so appropriated.

The Government of India forwarded a memorandum giving the history of the former proposals for legislation and a note of the broad outlines of the present proposals. For purposes of record the memorandum is printed in full in the Appendices.

The papers were referred to the Chamber by the Government of Bombay for opinion and in replying to the latter the Committee stated that after a careful consideration of the memorandum in consultation with a special Sub-Committee they agreed in the main with the memorandum but mentioned that there were certain points of detail which might be open to criticism. The Committee felt, however, that the proper occasion for such criticism would be when the Bill itself was circulated. The Committee consequently expressed their provisional approval of the memorandum subject to examination in detail of any Bill that might be circulated later on. In the meantime the Committee put forward the following comments for the consideration of Government :—

(*i*) It was agreed that there must be one central register as the suggested legislation was a federal subject. Presuming that the Central Office would be situated at the Patent Office in Calcutta, the Committee considered that duplicate registers might be provided in Bombay, Karachi, Madras and possibly the Punjab. If duplicate registers were impracticable, then Sub-Offices which could advise and generally help applicants were essential. In

any event, similar provision should be made to that contained in the Indian Patents and Designs Act to the effect that an action for infringement might be brought in any High Court or District Court.

(*ii*) The fees contemplated should have some relation to similar fees in other countries, and should in any event provide for no more than the costs of the register. They should not be a means of revenue to Government.

(*iii*) The Committee realised the importance of the legislation being made effective in Indian States also, but did not feel competent to suggest means to that end. It was presumed that the Government of India had in mind methods by which this could be achieved. In any event, it appeared to the Committee to be desirable legislation, even if at first it was not applicable to Indian States though they suggested that Government should do their utmost to induce the various Indian States to fall into line, so that there might be one uniform law and system of registration applicable to the whole of India.

(*iv*) Clause 2 (*xii*) of Part III of the memorandum which stated what would be the effect of registration appeared to contain the heart of the matter. It was not understood, however,

(*a*) what exactly was meant by the sentence

"after the expiration of 5 years from the date of original registration, such evidence shall be conclusive" ?

and

(*b*) how the interpretation of (*a*) affected the subsequent sentence

"nothing in the Act shall be deemed to affect the existing rights of trade mark owners under the common law. The right to an action for passing off and the remedies in respect thereof under the common law, shall not be affected by registration" ?

Particular attention was drawn to the word "existing" and to the question whether common law rights acquired *after* the passing of the proposed Act, would be prejudiced

thereby. The Committee thought they would not be prejudiced. But in any event the Committee agreed that the unfettered phraseology of Section 45 of the English Act was preferable. That Section read :—

45. "*Passing off*" *action* :—Nothing in this Act contained shall be deemed to affect right to action against any person for passing-off goods as those of another person or the remedies in respect thereof

The Committee considered this point to be particularly important in view of the continental nature of India. It would be inequitable if registration *and user* in, say, the Punjab were to hold good against *user but non-registration* in, say, Madras.

(*v*) The main purpose of the proposed Bill was to protect the user of a mark by means less cumbersome than a charge of passing off. This was very desirable and to the advantage of all ordinary commercial interests. But it was suggested that the possibility of abuse of the law should not be overlooked. Too easy registration might result in a transfer of the onus of proof to such an extent that *bona fide* users might be victimised by vexatious legal action. Therefore, provision for correction of the register on the ground of non-user was very important. (*See* Clause *xi.*)

(*vi*) The system recommended was a voluntary one. The Committee considered that this was important and should be clearly brought out. The Committee felt that many commercial interests might not fully appreciate that fact and opposition might be engendered without good cause. It would appear that failure to register would in no way adversely affect any rights under common law which could be proved to exist.

(*vii*) In regard to Clause 2 (*v*) of Part III the Committee agreed that other non-distinctive marks would ordinarily be ineligible but they thought provision should be made for marks not in themselves inherently distinctive

which might have acquired distinction at the time of application. This would permit the equivalent of the English Register "B" of 1919.

(*viii*) It was suggested when the Bill was drafted that full advantage be taken of the experience acquired by existing voluntary systems, such as that controlled by the Bombay Millowners' Association.

(*ix*) Careful consideration was given to suggestions made by members of the Chamber that the law might be strengthened in the direction of making offences under the suggested Act or under the existing Merchandise Marks Act cognisable. These suggestions appeared to have arisen mainly as a result of a general feeling that penalties imposed by the Courts were frequently inadequate in view of the expense involved and the loss incurred.

A particular case was brought to the notice of the Chamber where an admittedly bad case of infringement, fully proved at a cost to plaintiffs of Rs. 8,000, in addition to loss to their business and goodwill, had been disposed of by a small fine. In the case in question, the penalty was, in the Committee's view, quite inadequate and could easily be met out of the illicit profits arising from trading under false marks. But the remedy to this appeared to be a tightening up of the attitude adopted by Magistrates to cases of this kind. In a commercial city such as Bombay, the act of trading under false descriptions or marks was of a specially serious nature, and though the Committee did not go so far as to recommend that cases of infringement and false marks be made cognisable, they urged that Government should take such steps as might be possible to ensure that proved guilt was penalised to a degree that would deter repetition of the offence.

Subsequently, the Manchester Chamber of Commerce informed this Chamber that the proposed trade mark legislation in India had been under the consideration of its Committee in collaboration with the Trade and Merchandise

Marks (Statutory) Committee of the Chamber. The outcome of the deliberation was a letter addressed by them to the Board of Trade, London, putting forward the following general observations.

In the first place the Manchester Chamber pointed out that when mutual forbearance and voluntary readiness to avoid clashing of similar marks were not obtainable, the existing law in India, both common law as well as statute law were adequate to protect the rights of anyone who wished to take advantage of the legal position. Further, that the disadvantages of the proposed legislation, also the difficulties associated with it, more especially as concerned textile marks, were very real and serious, and in its view far out-weighed the advantages which were claimed for the proposal. Moreover, the burden by way of cost on the part of traders generally, would, it was considered, be quite unwarrantable.

In the second place, the Committee in referring to Part I of the Memorandum, which dealt with the historical side of the matter, observed that even as recently as 1930 there was no unanimity in India in favour of a system of trade mark registration. The Bombay Millowners' Association held the view that there was no need for legislation, since the owners of trade marks could obtain rapid and ample satisfaction under the provisions of the Merchandise Marks Act, and also under common law, by proving priority of use. Also, at a more recent date, namely, in 1933 an important constituent Chamber of the Associated Chambers of India—the Bengal Chamber—although supporting the resolution, was still sceptical as to the necessity for the proposed legislation.

Finally, the Manchester Chamber emphasised that the basic conditions were not materially changed to-day. It therefore desired that His Majesty's Government would make representations to the Government of India to leave well alone and to abandon the present proposal, which bristled with many difficulties, the giving effect to which proposal

would be a gigantic and lengthy operation, bringing in its train untold complications and contentious matters. It would be likely to lead to litigation; and on balance of advantage was not in its view desirable, and it would necessitate unwarrantable expense to all concerned.

From the foregoing it would be gathered that the respective Committees of the Chamber viewed the present position with complete disfavour and with no small degree of anxiety, and they contented themselves with this general expression of opinion in the hope and belief that their views, in association with the uncertainty felt in other quarters, would cause the Government of India to reconsider the whole question.

In addressing the Manchester Chamber on the various points raised in its letter the Committee drew attention to the following :—

(1) Under the proposed legislation registration was voluntary. Therefore the question of expense only arose if owners of trade marks considered the expense entailed worth while. Their common law rights remained unaffected and expense was not incurred in maintaining these rights.

(2) In stating that the interests of owners of trade marks had been adequately protected in the past under existing legislation, the Committee understood that the Manchester Chamber had under consideration the position obtaining in regard to trade marks on goods imported into India. The adequate protection of marks on such goods was due to the fact that the Indian Customs had been able to act on the provisions of the Merchandise Marks Act *at the Ports*. These conditions would continue in the future and the interests which the Manchester Chamber represented would lose no advantage and need incur no expense under the proposed legislation, so far as the Committee were able to foresee.

(3) In regard to the suggestion of the Manchester Chamber that basic conditions had not materially changed in India since opinions were expressed some years ago to the effect that there was no need for trade mark legislation in India, the Committee drew attention to the fact that without a system of trade mark registration in this country, Indian trade marks had no protection in countries abroad. This consideration was not of great moment to India when her export trade in manufactured goods was comparatively unimportant, but with the development of her industries, it was a factor of considerable and growing importance.

(4) The views of the Manchester Chamber as submitted to His Majesty's Government raised objections to the proposed legislation for trade marks mainly on general grounds and the Committee stated that if elucidation on any specific points was desired they would be pleased to assist, as far as it was in their power to do so, or, if it was anticipated by the Manchester Chamber that the interests represented by it would be faced with greater difficulties in India under trade mark legislation than they were faced in other Dominion countries, the Committee would be pleased to have full information regarding such difficulties in order that they might take them into consideration in their deliberations on the draft Bill when it was circulated for opinion.

In conclusion the Committee added that before any legislation came into force a draft Bill would be circulated for opinion in order that all interests might have an opportunity of submitting their objections and recommendations in regard to the actual terms of the legislation proposed.

INSURANCE LEGISLATION IN INDIA.

Proposed Revision.

(*See Reports*, 1934, *page* 45 ; 1935, *page* 58 ; 1936, *page* 32.)

It was recorded in the Chamber's Report for 1936 that it was expected that a Bill to consolidate and amend

the law relating to the business of insurance would be introduced in the Central Legislative Assembly during the 1937 Budget Session. The Bill was duly introduced on the 26th January 1937 and a motion to refer it to a Select Committee of the Assembly was accepted by the House on the 2nd February 1937. In the statement of objects and reasons appended to the Bill it was mentioned that the law relating to insurance in British India was contained in Act V of 1912, which regulated Provident Insurance Societies, Act VI of 1912, which regulated Life Assurance Companies, and Act XX of 1928, which amended the latter in certain respects but was primarily aimed at providing for the collection of statistical information in respect of insurance business other than life insurance business carried on in India by external companies.

The marked increase in the volume of life insurance business, and the development of other forms of insurance business in British India since 1912 soon suggested that more comprehensive legislation was needed. A Bill was prepared in 1925 to extend to other classes of insurance business the supervision already exercised over life insurance. The appointment in England almost simultaneously of a departmental committee presided over by Mr. A. C. Clauson, K.C., to report on the amendment of the Assurance Companies Act, 1909, on which the Indian Act VI of 1912 had been largely based, decided the Government of India to postpone that Bill, and await the legislation resulting from the Clauson enquiry. The enquiry, however, though completed in 1927, was not immediately followed by, and had not yet resulted in legislation in England, although the report of the Committee contained a draft Bill embodying the recommendations of the Committee for the re-enactment of the 1909 Act with extensive modifications. In the meantime Act XX of 1928 was passed by the Indian Legislature, and it was hoped that the information collected through it would be of value when the time came to consider the problems affecting Indian insurance.

In 1935 the Government decided to proceed with the reform of insurance law without waiting for the enactment of legislation in England. Mr. S. C. Sen was placed on special duty to examine the material which had been collected concerning the amendment of company law in general, and insurance law in particular. In 1936 the Indian Companies (Amendment) Act, 1936, was passed. The project of revising the law of insurance was at once taken up. A small advisory committee of experts representing various interests was assembled in the autumn of 1936 to consider in detail the various recommendations contained in Mr. Sen's report. This Bill embodied the proposals which Government had decided to submit to the Legislature after consideration of Mr. Sen's recommendations and the opinions of the advisory committee.

The Draft Bill included in one enactment the subjects dealt with by the two separate Acts of 1912, but relegated the provisions relating to Provident Insurance Societies to a separate Part.

It provided *inter alia* for the following matters. It increased the supervision exercised over all concerns transacting insurance business of whatever kind in British India, whether these were indigenous concerns, or external companies represented in India by branches or agencies, and treated agents acting for Lloyds' underwriters on the same basis as such branches or agencies. Registration, formerly unnecessary, except for Provident Insurance Societies was proposed for general application, and the principle of exacting deposits, hitherto applied only to indigenous companies transacting life insurance business, had been similarly extended. The amount of the deposit had been increased with the object of more effectively discouraging the formation of companies inadequately financed, and where the business of life insurance was to be carried on a minimum net sum of Rs. 50,000 was required as working capital. Provision was made for full disclosure of the information required to ensure sound principles of finance

and management. Powers to enforce punctual submission of returns and to ensure their accuracy, and additional powers of inspection of insurance companies were taken. External companies were required to keep in their principal offices in British India the accounts and other documents by which their returns concerning their business in India could be checked. Certain restrictions were imposed on the investment of the funds of insurance companies, and external concerns were required to keep a portion of their assets invested in Indian Government securities. The existing provisions of the law relating to winding up of insurance companies, and to the amalgamation and transfer of insurance business had been enlarged. Provisions had been inserted to regulate the assignment and transfer of policies of life insurance and the making of nominations. Power was given to companies to pay into Court moneys due under a policy where there was difficulty in securing a proper discharge. It was proposed to prohibit the employment of Managing Agents in future, and to bring existing Managing Agencies to an early end. In order to secure fair treatment for Indian insurance companies operating in foreign countries power was taken to subject the nationals of a foreign country to any restrictions that were imposed in that country on Indian insurance concerns operating there. Certain proposals were put forward aimed at checking the practice of rebating and the payment of excessive commission. These included provision for the licensing of insurance agents. The administration of the Act would be carried out through the Superintendent of Insurance, who would normally be the Government Actuary. To him also was assigned the supervision of Provident Insurance Societies.

The provisions relating to Provident Insurance Societies subjected these to much more effective supervision than had hitherto been exercised. The name adopted by any such society would indicate its status. Business on the dividing principle was prohibited so that societies dependent on this class of business would disappear. A minimum

initial working capital was required, and the principle of deposits was applied. The rules of a society would disclose fuller information of the working of the society. All schemes of insurance operated by a society were to be subjected to actuarial examination so that unsound schemes might be eliminated, and periodical actuarial investigation must be made into the financial condition of the society. Proper books of account must be maintained, and the accounts must be audited. Separate classes of business must be brought separately to account, and a separate fund must be maintained in connection with a particular group of contingencies. Assets were further protected by a provision requiring the investment in trust securities of a certain percentage of the total assets. Increased powers of inspection and inquiry were taken. Other features of this Part were the application to policies issued by Provident Societies of the provisions governing transfer and assignment of life insurance policies and nominations. Liquidation procedure, formerly governed by rules made by the Local Government, was provided for in the Act itself.

The Bill was referred to a special Sub-Committee of the Chamber consisting of Mr. L. A. Halsall (Chairman) and Messrs. C. F. Buser, H. Chamberlain, R. J. Duff, A. McIntosh and L. Randall and a letter was subsequently addressed to the Government of Bombay on the lines of the Sub-Committee's report. Before setting out their comments on the various sections of the Bill the Committee made the following general observations and in particular drew attention to their comments on the sections dealing with Managing Agents (Section 24) and commission and rebates and licensing of Agents (Sections 33 and 34).

The primary object of the Bill was to promote the healthy development of all kinds of insurance business in this country, and to safeguard the rights and interests of policyholders. That there was an urgent need for this in respect of life insurance could not be denied. In recent years a large number of small companies, inadequately

financed and unsoundly managed, had entered the field of life insurance, and it was generally admitted that it would be in the interests of the insuring public that such companies should be put on a sound basis, or amalgamated with others at the earliest possible date. The same might be said of a considerable number of so-called Provident Societies, and it was satisfactory to note that the proposed legislation very considerably tightened up the law in respect of such concerns. Provident Societies were separately dealt with in Part III of the Bill.

The Committee agreed in principle that after the passing of the Act no insurance company should be permitted to appoint a Managing Agent for the conduct of its business, but they could not accept the provision in Section 24 (2) that, despite any contract to the contrary, existing managing agencies should be abolished within three years of the passing of the Act. Even admitting, that managing agents were not necessary for the successful development of insurance business in India the Committee regarded it as definitely unfair, and unnecessarily drastic, that existing contracts should be so abruptly terminated. Experience during the passage of the Indian Companies Act, 1936, showed that there was little or no chance of securing provision for compensation to managing agents whose contracts were so terminated. This being so the Committee recommended that the Indian Companies Act be followed in this respect and that existing contracts should not be compulsorily terminated earlier than 20 years after the passing of the Act.

If it was found impracticable to secure this the Committee considered the period should not in any event be less than ten years.

Much had been heard of the allegation of unfair competition by non-Indian insurance companies, more particularly in respect of other branches of insurance than life insurance. Mr. Sen in his report came to the conclusion that the agitation was unfounded. The Hon'ble the Law

Member in his speech introducing the Bill stated that Indian insurance interests who had been given an opportunity of stating their case before the Advisory Committee were "unable to make out even a *prima facie* case of unfair competition." It was suggested to the Advisory Committee that one remedy for the alleged "unfair competition" was the fixing of limits on rebates and commissions. In spite of the Law Member's statement quoted above provisions had been included in Sections 33 and 34 to limit commissions and rebates.

The following two further extracts from the Law Member's speech concerned this particular question.

"The subject of commissions and rebates and licensing of agents is a matter which has been found to be one of great difficulty. Weighty considerations may be urged for the provisions contained in the Bill as also against them and the matter will require very careful consideration in the Select Committee and later in this House. The Bill has adopted measures which have been advocated by a fairly large section of Indian opinions received but I am breaking no confidence if I inform the House that some of the members of the Advisory Committee at whose instance these provisions have been included in the Bill are not very firm in their conviction now."

"My firm belief is that when the matter is further discussed it will be found that the remedy of fixing limits for rebates and commissions is open to serious objections, and I am pretty confident that the objection will come not from foreign companies but from the smaller Indian companies. I have an open mind on this matter and I do not commit myself to any final opinion."

In regard to the question of limitation of commission payable dealt with by the provisions of Section 33 (2), it was thought by a minority of the Committee that the provisions were desirable: (a) because they would tend to improve and consolidate insurance business generally from the point of view of both the insurer and the insured; (b) because it was believed they would provide some measure of protection for the Indian insurer and the Indian policyholder against non-Indian insurance companies.

The majority of the Committee did not accept this point of view because they thought, in the first place, that any question of the protection of Indian insurance business

should not appear as a section of a Bill of this description dealing mainly with the internal regulation of insurance business itself. And secondly they considered that there was in any event a very cogent argument against the introduction of such provisions. There were innumerable ways by which unscrupulous insurers and/or their agents could evade such restrictions without risk of detection. If such provisions were made law, there should be no doubt whatever that they could be enforced. In the opinion of the majority of the Committee such provisions would be administratively impracticable. They would tend to penalise the business of the honest insurer and would tend to result in the dishonest insurer and/or agent profiting at the expense of the honest one. Though there was no difference of opinion on the desirability of improving the general conditions of insurance business along the lines indicated by the Bill as a whole, it was felt that control should be exercised in those directions where there could be no doubt of its good result. With a general improvement of conditions and status, the more intractable internal problems might well be left for settlement by Insurance Companies themselves.

In connection with Section 34 (1) and (2)—Prohibition of Rebates—opinion was also divided, those in favour of its inclusion considered that it would be effective to an extent which would help insurance to a healthier basis and/or serve as protection for the indigenous insurers, whilst those against did not consider it could be effectively enforced and would therefore do more harm than good as it would penalise both the honest insurer and policyholder. It was however felt that the basis of the objections to these provisions on the ground of impracticability was not so serious as it was in regard to restrictions of commissions.

In their detailed examination of the Bill the Committee found several instances where it was not made clear whether the provisions applied only to life business or to all classes of insurance. They suggested that these uncertainties should be removed either by specific references or marginal

notes as to the classes of insurance to which the sections referred.

The Committee's comments on the above and other sections of the Bill will be found in the Appendices to this Report.

The Report of the Select Committee on the Bill was presented to the Legislative Assembly on the 25th August 1937. The Report was not unanimous. There were six minutes of dissent. While the Report was under consideration the Committee telegraphed to the European Group suggesting that it should be made clear that in the new Clause 54 "representative" included the plural and included firms and companies. The Committee also strongly objected to the exclusion of firms and companies as licensed insurance agents and further requested the Chamber's representative in the Council of State to record a protest against the proviso to Clause 35 (2) on the ground that it was designed to help new companies to compete with the older established life companies and consequently amounted to discrimination.

The Bill was passed by the Legislative Assembly on the 2nd October 1937 and came up for discussion in a special session of the Council of State which opened on the 15th November. The Bill was amended and returned to the Legislative Assembly who in turn amended certain of those amendments. The Assembly's amendments having been accepted by the Council of State, it only now awaits the assent of the Governor General after which it will be brought into force on such date as the Central Government may by notification in the official *Gazette*, appoint in this behalf. This will probably be about August 1938.

BOMBAY WEIGHTS AND MEASURES ACT.

THE CANDY AND BOJA.

(*See Report* 1935, *page* 68.)

In April 1937 the Cotton Market Committee, Dhulia, West Khandeish, forwarded to the Chamber a copy of a

letter that that body had addressed to the Commissioner, Central Division, Poona, suggesting that the Government of Bombay might be moved to exempt the cotton trade from the provisions of the Bombay Weights and Measures Act, 1932, in so far as the use was made by the cotton trade of the denominations of " Boja " and " Candy."

After consulting the Cotton Sub-Committee of the Chamber, the Committee informed the Cotton Market Committee, Dhulia, that apparently that body did not desire to have the cotton trade exempted altogether from the provisions of the Act, but it seemed to the Committee that unless the cotton trade was exempted under Section 46 their wishes in regard to the use of the " Boja " and the " Candy " could only be met by an amendment of the Act. The Committee added that in Bombay it was the practice of cotton merchants to write in their contracts "———— per candy of 784 lbs." and suggested that the merchants in Dhulia might do the same.

BOMBAY WEIGHTS AND MEASURES ACT, 1932.

TOLERANCES.

(*See Reports*, 1906, *pages* 116, 487; 1908, *page* 110; 1910, *page* 99; 1912, *pages* 118, 646; 1913, *pages* 45, 300; 1914, *pages* 50, 398; 1915, *pages* 68, 422; 1920, *Vol. I*, *page* 201; 1922, *Vol. I*, *page* 306; 1924, *Vol. I*, *page* 344; 1932, *page* 114; 1933, *page* 98; 1934, *page* 68, 1935, *page* 66, *and* 1936, *page* 253.)

In October 1937 the European Group, Bombay Provincial Legislature, drew attention to Notification No. 1907/33, dated 25th September, under which the Government of Bombay proposed to amend the Bombay Weights and Measures Rules, 1934, by the addition of a rule prescribing the amount of error to be tolerated in selling articles by measure as regards the textile trade.

The European Group pointed out that the tolerances which this amendment to the Bombay Weights and

Measures Rules, 1934, sought to prescribe were already laid down under the Indian Merchandise Marks Act, 1889.

The Group added that it might be argued that the tolerances which the notification under reference prescribed could not be properly included in tolerances prescribed under the Weights and Measures Act, 1932. In any case, however, it would appear unnecessary to duplicate these regulations, particularly as it was within the power of the Indian Central Legislature to amend the rules framed under the Merchandise Marks Act, in which event the rules framed by the Bombay Provincial Legislature under the Weights and Measures Act, would be null and void to the extent to which they differed from the rules framed by the Central Legislature.

The Committee in reply stated that in their opinion the adoption of the same tolerances in the Bombay Weights and Measures Act as was already laid down in the Merchandise Marks Act, would not in any way complicate or alter the liabilities imposed under the latter Act, whilst it facilitated the enforcement of correct measure at the time of sale since action could be taken by the Weights and Measures Inspectors under the Weights and Measures Act and Rules, if the tolerances were not observed.

Under the Government of India Act "weights and measures" were a Provincial subject and only the "establishment of standards of weight" remained a Central subject. The tolerances contemplated by Section 41 (2) (*m*) of the Weights and Measures Act related to the instruments for weighing and measuring and not to "goods for sale" and there might be some doubt as to the liability of the Provincial Government to legislate on this matter.

As this point must have been given full consideration by the Government's legal advisers, the Committee did not consider that there was any necessity to question the right of the Provincial Government to frame rules under Provincial Acts.

PROVISIONAL COLLECTION OF TAXES ACT, 1938.

In December 1937 the European Group, Bombay Provincial Legislature, asked for the views of the Chamber on Bill No. XXV of 1937 published by the Government of Bombay, the object of which was to provide for immediate effect being given for a limited period to provisions in Bills relating to the imposition or increase of taxes.

The Committee advised the European Group, Bombay Provincial Legislature, that this was a Bill to which the Chamber wished to lend their support on the grounds that it tended to reduce the disturbance of trading conditions, when new taxation was proposed, and to reduce the value of leakage of information regarding taxation proposals. The Committee added, however, that their support in this matter should not in any way be taken as encouraging the idea of increased taxation.

INDO-JAPANESE TRADE AGREEMENT.

(*See Reports*, 1932, *page* 137 ; 1933, *page* 130 ; 1934, *page* 139 ; 1936, *page* 91.)

The following press *communiqué* was issued by the Department of Commerce of the Government of India on the 15th April 1937 :—

"The Protocol which was initialled by the delegates of the Government of India and the Government of Japan on the 12th instant will be formally concluded at London in due course and will have effect until 31st March 1940. It substantially reproduces the terms of the Protocol which expired last month, but with the following modifications:

(1) Japan will be permitted a net import of 283 million yards of cotton piecegoods annually against purchases of Indian raw cotton of one million bales. Imports of piecegoods may be increased to a maximum of 358 million yards if purchases of raw cotton reach 1½ million bales.

(2) Excess imports of cotton piecegoods in one year which may be adjusted against the quota of the following year are raised from 20 million to 25 million yards.

(3) The coloured category of the old protocol is sub-divided into (a) Coloured Printed Goods, and (*b*) Coloured Dyed or Woven Goods, and the total quota is allotted between categories in the following percentages :—

Plain Greys	40 per cent.
Bordered Greys	13 „ „
Bleached (White) Goods	10 „ „
Coloured Printed Goods	20 „ „
Coloured Dyed or Woven Goods	17 „ „

(4) The quota is exclusive of cotton fents, but Japan undertakes to limit imports of cotton fents into India to 8.95 million yards annually. The Government of India agree that customs duties on cotton fents shall not exceed 35 per cent. *ad valorem*.

The notice of denunciation given on the 21st October last of the Convention regarding the Commercial Relations between India and Japan will be withdrawn, and it is agreed that the necessary steps will be taken so that the Convention may not cease to be in force before the end of the period covered by the Protocol."

PROTECTION OF MINOR INDUSTRIES AGAINST JAPANESE COMPETITION.

(*See Reports* 1932, *page* 137; 1933, *pages* 130, 138, 553.)

In a press *communiqué* dated the 1st June 1937 the Government of India, Department of Commerce, stated that the un-official advisers to the Government of India in connection with the Indo-Japanese trade negotiations emphasised, *inter alia*, the necessity of protecting the interests of minor industries in India which were adversely affected by Japanese competition. This subject was, however, excluded from the scope of the negotiations which resulted in the continuance of the Indo-Japanese Commercial Convention of 1934 and a new Protocol dealing with the export of raw cotton to Japan and the import into India from that country of cotton piecegoods. In June 1937 the Central Government decided to place an officer on special duty to examine the cases of these minor industries, and any such minor industries in India as claimed to be suffering from Japanese competition were invited to approach the Commerce Department of the Government of India without delay with a full statement of their case.

The Department of Commerce of the Government of India subsequently addressed a letter to certain minor industries in India, which had applied for assistance against Japanese competition requesting detailed information in regard to such industry. Copies of the above letter were circulated to all members for their information with a request that in the event of their deciding to approach the Department of Commerce in the matter a copy of their letter might be furnished to the Chamber for its records.

No official intimation was received by the Chamber but in a notice that appeared in the Press on the 4th November 1937 it was stated that a preliminary investigation had been carried out by the officer who had been placed on special duty by the Government of India for the purpose, but since the commencement of the inquiry, conditions had become unsettled in the Far East and the prices of Japanese imports into India were steadily rising. The need for special measures of assistance to Indian industries in view of Japanese competition had, therefore, become less pressing in view of the progressive rise of Japanese prices and the Central Government were of the opinion that the existing unstable conditions could not be suitably made the basis for tariff adjustments. While, therefore, Government would continue to watch the situation carefully and would be prepared to give special attention to the needs of any industry that might be adversely affected, they decided that the inquiry should, in the meantime, be suspended.

PROTECTION OF THE INDIAN SUGAR INDUSTRY.

(*See Reports*, 1930, *Vol. I*, *page* 85 ; 1931, *Vol. I*, *page* 129 ; 1932, *page* 125 ; 1934, *page* 172.)

On the 27th March 1937, the Government of India, Department of Commerce, issued a Notification in which it was stated that the amount of protection afforded to the Sugar Industry by the duties imposed by section 2 of the Sugar Industry Protection Act, 1932, would determine on

the 31st March 1938, and section 3 of that Act provided that the Governor General in Council should cause to be made by such persons as he might appoint in this behalf an enquiry to ascertain if the protection of the Sugar Industry during the period from 31st March 1938 to the 31st March 1946 should be continued to the same extent or to a greater or lesser extent. The Government of India decided that this enquiry should be undertaken by the Tariff Board and the following terms of reference were framed for its guidance :—

(a) The Board is requested to examine the measure of protection now enjoyed by the Sugar Industry and to report whether it is necessary to continue protection to this extent or to a greater or lesser extent ;

(b) In making its recommendations the Tariff Board will take all relevant considerations into account including that stated in part (b) of the Resolution adopted by the Legislative Assembly on the 16th February 1923.

Firms and persons interested in the Sugar Industry or industries dependent on the use of sugar who desired that their views should be considered by the Tariff Board were requested to address their representations to the Secretary of the Board.

In May 1937 the Tariff Board issued a questionnaire in connection with their enquiry into the question of the extent of protection required by the Indian Sugar Industry during the period 31st March 1938 to 31st March 1946. The attention of members interested was drawn to the questionnaire.

LIST OF COTTON PIECEGOODS FOR CUSTOMS DUTY PURPOSES.

Annual Revision.

(*See Report* 1936, *page* 100).

In September 1937 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any modifications to suggest in the list of cotton piecegoods prescribed for the purposes of assessment to import duty.

After consulting the Import Sub-Committee, the Committee informed the Director-General that they had no modifications to suggest.

CLASSIFICATION OF PIECEGOODS.

PRODUCTION AND IMPORT STATISTICS.

(*See Report* 1936, *page* 67).

It was recorded in the Chamber's Report for 1936, that the Collector of Customs, Bombay, had asked for the views of the Chamber in connection with the scheme for reclassification of the production and import statistics of cotton piecegoods in which connection it was suggested that the invoices for imported cotton piecegoods should show the following further particulars in addition to those already shown, viz., length, width, etc. :—

(1) The counts of warp yarn used in the manufacture of cotton piecegoods.

(2) The dimensions in square yards in addition to linear yards.

(3) The weight in lbs.

It was also stated that the Committee had asked the Manchester Chamber for their views on the subject.

In addressing the Collector of Customs again in the matter in June 1937, the Committee pointed out that in regard to item (1) there was a large range of cloths in which more than one count of yarn was used in the warp and it would be impracticable to classify the yarn under the three divisions suggested by the Collector. The Manchester Chamber to whom the point was referred, had stated that if it was intended that the information would furnish a guide as to the type of raw cotton employed, it considered this would be very unreliable and impracticable in operation. Furthermore there was no requirement in force in England which called for a declaration of the quality of the raw

cotton employed either specifically or after the manner of three broad divisions, referred to by the Collector in his previous letter.

In regard to items (2) and (3) the Manchester Chamber had intimated that the required information had to be furnished by British exporters of cotton piecegoods at the present time. Actually the weight was shown in cwts. That Chamber pointed out, however, that in its opinion the suggested expansion of the import returns would not serve any useful purpose and it was opposed to the proposed amendments.

The Committee informed the Collector that opposition to the supply of the additional particulars suggested under Items (2) and (3) on the sole grounds of inconvenience to exporters in the United Kingdom was not to be considered conclusive. But the additional work involved might not be commensurate with the result if, as was likely, it would not always be possible to rely on the information deduced therefrom and if thereby no useful purpose was served.

The Committee stated that they were anxious to co-operate with the Collector to the fullest extent in their power, and it would be of considerable assistance if they could be advised exactly of the objectives the Government of India had in view in calling for the information. The Committee added that they might then be able to express a more definite view on the point whether the information desired to be deduced from the particulars could be accepted as reliable or not.

IRON, STEEL, COPPER AND YELLOW METAL, ETC., TARIFF VALUATIONS.

The following notification was issued by the Department of Commerce of the Government of India on the 29th May 1937 :—

No. 73-T. (2)/37.—In exercise of the powers conferred by section 2 of the Indian Tariff Act, 1934 (XXXII of 1934), the Central Government are pleased to direct that the following further amendment shall

be made in the Notification of the Government of India in the Department of Commerce, No. 73-T.(6)/36, dated the 12th December 1936, namely :—

In the Import Tariff Schedule annexed to the said notification:—

(1) Items Numbers 63, 63(4), 63(16), 63(28), 64, 64(1), and 70 shall be omitted.

(2) For item 70 (1), the following shall be substituted, namely

" 70(1) Cupro-nickel bullet " cases, old ..	cwt.	30	8
Quicksilver	lbs.	2	6 "

In addressing the Government of India on the subject, the Committee drew attention to the fact that the cancellation of the tariff valuations in question added an unstabilising factor to a rapidly fluctuating and speculative market, and the decision to change the " tariff valuation " to that of " Ad Valorem " after some 15 years of successful administration on the former basis increased very considerably the existing difficulties.

During January-October 1930, the market value of copper sheet dropped from about 92/- to 59/-. During January-June 1932 the market value dropped from about 55/- to 38/-. On both occasions tariff valuations remained unchanged and there were no substantial protests from the interests concerned, because of the great value of stability which a tariff valuation gave.

The change to *ad valorem* gave local discretion to Customs Collectors to collect on invoice value when market value was difficult to ascertain, and since neither invoice value nor market value in regard to a highly speculative commodity had any secure basis which would protect both revenue and importer, there was obvious scope for argument and adjustment to the disadvantage of both the revenue and the honest trader. From evidence which had been placed before the Chamber it appeared that this discretion had had the practical effect of creating a different duty in the different ports of India.

The Committee therefore expressed a hope that Government would reconsider their decision on this matter and thus aid in the stabilisation of the market by re-introducing tariff valuations for these commodities at the earliest possible date.

In conclusion the Committee added that, if necessary, such tariff valuation might be put on a higher scale than that which had been withdrawn, whereby the objective of securing enhanced revenue from the higher value of imports of these commodities would be achieved and the stability which tariff valuations gave, would be retained.

The Government of India in reply stated that they were unable to accede to the request of the metal trade for the re-introduction during the current year of tariff valuations of the commodities in question but added that it would be considered in connection with the next annual revision of tariff values and that the Director General of Commercial Intelligence and Statistics would discuss the matter with the Chambers of Commerce at Bombay and Calcutta in November 1937.

In August 1937 the Director General of Commercial Intelligence and Statistics asked for the views of the Chamber on the following additions and alterations it was proposed to make in the existing tariff valued heads :

(1) To fix tariff values for "Cowries, chitia (spotted)."

(2) To delete the words "and similar qualities" at the end of the tariff valued head "Dates, dry, in bags—kap kapa, shekra chharra chupchap, sakina, brami and similar qualities."

(3) To recast the tariff valued head "Gambier, block and cube" to read "Gambier, cube....per cwt."

(4) To recast the tariff valued head for "Gum benjamin" to read "Gum benjamin, cowrie (excluding pure cowrie)."

(5) To introduce a new tariff value for "Soda, caustic, petal.....per cwt."

(6) To drop the word "China" from the existing tariff valued head "Galangal China."

The Director General added that the abolition under Government of India Commerce Department Notification No. 73-T (2)/37, dated the 29th May 1937, of tariff values for iron and steel, copper and brass articles and pig-lead, it was understood, was resented by the trade concerned. It was therefore proposed to re-introduce tariff values for all the heads which were deleted by the Commerce Department Notification mentioned above.

In connection with the above the Committee while welcoming the proposal to re-introduce tariff values for all the heads mentioned therein after the next annual revision of tariff values, contended that the tariff values on copper and brass sheets should be re-introduced at the earliest possible date. The Committee understood from responses received to enquiries made by the Chamber that an arbitrary tariff valuation would be acceptable for the interim period pending the result of the enquiries of the Director General for the year 1938, and suggested the following :—

Copper Sheets	..	Rs. 45 (Former figure Rs. 30-0-0).
Brass Sheets ..	..	Rs. 35 (Former figure Rs. 26-8-0).

The Director General stated, however, that it was not possible to fix tariff values for copper and brass sheets for the remaining months of the current year.

The following resolution was moved on behalf of this Chamber at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1937 and carried unanimously :—

"This Association draws the attention of the Government of India to the disturbance caused to trade when tariff valuations which are normally fixed for a period of twelve months are withdrawn without notice. They view this practice as prejudicial to the interests of

trade and recommend to the Government of India that all tariff valuations should wherever possible remain constant for a minimum period of one year and that any special circumstances should be dealt with by a provisional adjustment."

In the tariff valuations fixed for 1938 the value of copper braziers, sheets, plates and sheathing was fixed at Rs. 44 per cwt and that of brass, patent or yellow metal sheets and sheathing weighing 1 lb. or over per square foot at Rs. 35 per cwt.

ANILINE OIL.

TARIFF VALUATION.

In September 1937 the Director General of Commercial Intelligence and Statistics informed the Chamber that it was proposed to fix a tariff value for "Aniline Oil" for convenience of assessment under item No. 30 (1) of the Indian Customs Import Tariff. The Director General asked for the views of the Chamber on the proposal.

The Committee informed the Director General that they understood that aniline oil was imported for the same purpose as aniline salt and that aniline oil should therefore be classified with aniline salt.

DATES, DRY, IN BAGS—HALAVI.

TARIFF VALUATION.

In September 1937 the Director General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to introduce a new sub-head "Halavi—per cwt." under the head "Dates, dry in bags," in item No 8 of the Indian Customs Tariff.

The Committee informed the Director General that they had no comments to offer on the proposal.

TARIFF VALUATIONS.

ANNUAL REVISION.

In accordance with the usual practice the Director General of Commercial Intelligence and Statistics met representatives of the Chamber on Thursday, 18th November 1937 and discussed with them his proposals for the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

IMPORT DUTY ON FENTS.

(*See Reports*, 1935, *page* 97 ; 1936, *page* 87).

In March 1937 the Committee drew the attention of the Commerce Department of the Government of India to the increasing quantities of so-called fents that were being imported into India. The Committee expressed the opinion that immediate steps should be taken to put a stop to this trade in spurious fents and with this object in view they very strongly supported a proposal which they understood had been submitted to the Government of India for the deletion of item 49 (1) of the Indian Customs Tariff. The Committee felt that if this were done and fents were assessed to duty at the same rate as other textiles of the same material, disputes as to what were genuine fents and what were not would be avoided and the Customs authorities would be saved endless trouble.

On the 27th March 1937 the following Notification was issued by the Finance Department, Central Revenues, of the Government of India :—

No. 22—In exercise of the powers conferred by Section 19 of the Sea Customs Act, 1878 (VIII of 1878), the Governor General in Council is pleased to prohibit the bringing into British India by sea or by land of goods liable to duty under item No. 49(1) (*b*) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934).

ASSESSMENT TO DUTY OF IMPORTED INCANDESCENT LAMPS.

In May 1937 the Calcutta Import Trade Association enquired whether this Chamber was prepared to accord its support to representations which it was proposed to make to the Government of India for the alteration in the mode of assessment of incandescent lamps to a " weight " basis, whereby import duty would be levied on the net weight of the lamps imported.

The Committee informed the Calcutta Import Trade Association that although they were in favour of the principle of specific duties where practicable they felt that it was unsound to apply a weight basis of duty to a range of articles varying in value very considerably. The proposal might in the present instance suit the importers of the higher priced lamps under prevailing conditions as it would give them additional preference against the cheap Japanese lamps. In other circumstances, the advantage under a weight basis might be with the importers from Japan. In any event the Committee were of opinion that a weight basis in the case under consideration left the door open for anomalies and the sounder basis for levying duty was the existing one.

The Committee added that they considered that if the importers of the higher priced lamps felt that they had a case for additional preference they should put up their case as a straight issue on its merits.

DUTY ON IMPORTS OF WHEAT FLOUR INTO BURMA.

In July 1937 the Committee informed the Government of India that a member had brought to their notice that the Government of Burma had abolished the import duty on wheat flour from the 1st of April 1937. According to the information available to the Committee, up to 31st

March 1937 foreign wheat flour was subject to a protective duty of One Rupee per cwt. both in India and in Burma, and from the 1st of April 1937 when that duty lapsed, such flour was made assessable under Tariff item No. 11 to a revenue duty of 25 per cent. *ad valorem* by the Government of India. It was claimed by the member that the action by the Government of Burma in abolishing the duty was in contravention of the specific provisions of the India and Burma (Trade Regulation) Order, 1937, paragraph 4(1) Part III, wherein it was stated that such duties could only be reduced or abolished with the previous consent of the Governor General of India.

In view of the foregoing, the Committee requested the Government of India to advise them as regards the present position in respect of the importation of wheat flour into Burma.

Subsequently a Bill was introduced in the Legislative Assembly for the purpose of amending the Indian Tariff Act. In the statement of objects and reasons appended to the Bill it was stated that the protective duty of Re. 1 per cwt. on wheat flour imposed in lieu of the then existing duty of Re. 1-8 per cwt. by Act X of 1936 was limited in duration to the 31st March 1937 by item No. 11(1) of the First Schedule to the Indian Tariff Act, 1934.

With the intention of removing this protective duty and subjecting wheat flour to the ordinary revenue duty of 25 per cent. *ad valorem* imposed on flour by item No. 11 of the First Schedule to the Act, no steps were taken to continue the duration of the protective duty by any amendment of item No. 11(1) before the date on which the duty was due to expire under the provisions of Section 11(1) of the Indian Tariff Act, 1934. The item itself, however, was not omitted, and its survival had given rise to a doubt whether by virtue of that Section wheat flour being flour "otherwise specified" in the Schedule could be held liable to the revenue duty under item No. 11 of the Schedule.

The Bill aimed at setting this doubt at rest. It was passed by both Houses of the Central Legislature and received the assent of the Governor General on the 7th October 1937.

SALT IMPORT DUTY.

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1936 the following resolution was carried *nem con*, the Bengal, Bombay, Burma, Northern India and Madras Chambers refraining from voting :—

" This Association is strongly opposed to the indefinite continuance of the privilege of preferential tariff on salt imported from Aden as the protective tariff has not been of beneficial effect to the salt industry as a whole."

On the 13th February 1937 the Government of India, Finance Department, (Central Revenues) issued the following notification :—

" In exercise of the powers conferred by section 23 of the Sea Customs Act, 1878 (VIII of 1878), the Governor-General in Council is pleased with effect from the first day of April 1937, to exempt salt imported into British India from Aden from the additional duty of customs imposed by the Salt (Additional Import Duty) Act 1931 (XIV of 1931), subject to the conditions upon which such salt was exempted immediately before that date."

In view of the above notification the President of the Associated Chambers decided not to forward to Government the report of the discussion on the resolution.

DUTY ON IMPORTED CINEMA FILMS.

(*See Report* 1936, *page* 100.)

It was recorded in the Chamber's Report for 1936 that the Committee had supported a representation submitted by the Kinematograph Renters' Society of India, Burma and Ceylon to the Government of India urging that the tariff valuation of, and the duty on, imported exposed motion picture films should be reduced.

In April 1937 the Government of India forwarded to the Chamber a copy of a letter they had addressed to the Kinematograph Renters' Society intimating that they were unable to alter their previous decision in regard to the reduction of the tariff value. The Government of India added that they had also considered the question of reducing the import duty on exposed films but they did not see their way to making such reduction.

In October 1937 the Kinematograph Renters' Society enquired whether this Chamber would be agreeable to support a further petition which they intended to present to the Government of India either for the reduction of the tariff rates or for reducing the duty on exposed films. In this petition the Kinematograph Renters' Society requested that if the Government of India were unable to accept their application they should at least reduce the duty on second and subsequent prints.

The Committee accordingly addressed the Finance Department of the Government of India and stated that with the information available they were of opinion that a sufficiently good case had been presented to merit the very careful consideration of Government.

The Government of India, however, informed the Kinematograph Renters' Society that they were unable to reconsider their previous decision and pointed out that the considerations urged in the representation were not relevant to the fixation of tariff values. The latter were determined according to the estimated average landed cost of the films, expressed per foot of each print taken, and therefore allowed for second and subsequent prints imported into India. Government added that it was open to the Society to furnish the necessary data to the Director-General of Commercial Intelligence and Statistics to show that the basis of the values fixed was erroneous to enable him to re-examine the position in connection with the next annual revision of tariff values.

CUSTOMS DUTY ON TANNING EXTRACTS.

In May 1937 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion of the Upper India Chamber that the Association should support a representation that had been addressed by the Tanners Federation of India to the Government of India urging the admission of tanning extracts into India free of duty.

The Committee informed the Associated Chambers that the direct interest of members of this Chamber in the proposal of the Upper India Chamber was probably confined to the importation of tanning extracts, though exporters of tanned hides might be interested indirectly. Abolition or reduction of the duty on tanning extracts therefore would seem to be in the interests of the members of this Chamber and on these grounds the Committee were prepared to support the recommendation of the Upper India Chamber. The Committee added, however, that if the duty was not merely a revenue duty but was intended to protect what might be an extensive rural industry, the Committee would only be prepared to support the recommendation of the Upper India Chamber provided the interests of the rural industry, if extensive, of collecting tanning barks and extracting the tannin were not overlooked.

The Chamber was informed subsequently that having regard to the replies received from the constituent Chambers, the President of the Associated Chambers had decided that this was a matter in regard to which the support of the Associated Chambers, as such, could not be extended and that it must be left to the individual Chambers concerned, to take such action in regard thereto, as they might in their individual capacities deem advisable.

The Committee decided, after consulting members interested, not to pursue the matter further.

CUSTOMS DUTY ON SAMPLES.

In April 1937 the Committee addressed the Collector of Customs, Bombay, in regard to the question of the levy of duty on small samples of medicine, chemicals, etc., that were distributed free by importing houses to medical practitioners, etc. It had been contended by a member that these samples were plainly marked as such and declared on the invoice as free goods for free distribution only, in other words they were in the same class as advertising material which was distributed free. It was also contended that, when a manufacturer arrived at his selling price for a particular line, say for example patent medicines, he included in that price the cost of the sample and as duty was assessed and collected *ad valorem* on the sample package, in effect duty was being collected twice.

The Committee had been given to understand that if a representation were made in the proper quarter there was a possibility of the law in this respect being amended. Before taking any action however, the Committee asked the Collector for his views on the whole question and in particular they enquired whether from the Customs point of view there were any definite objections to the proposal either to admit samples duty free or that duty be levied on the actual cost of manufacture of the sample and not on the value of the original goods.

The Collector of Customs in reply stated that under the orders of the Government of India all samples, whether imported by post or otherwise, were to be regarded as dutiable unless (*a*) the samples were practically valueless in that they were unfit for consumption or for any other use than as samples for inspection, or (*b*) the quantity of a consignment was not in excess of the quantity ordinarily sent as a sample to an individual customer or potential customer, provided that in the case of goods the duty on which was high relatively to value (*e.g.*, cigarettes) the quantity must be less than the ordinary unit of retail sale.

The Collector pointed out that the class of samples under reference, *viz.* medicine, chemicals, etc., undoubtedly fell in the second category and, as the quantity imported was in excess of the quantity ordinarily sent as samples to an individual customer, they were correctly charged to duty. The fact that they were marked as "samples" and were intended for free distribution could not be recognized as a just ground for exemption from duty. As regards the contention that the cost of samples was included in the selling price of medicines, should the trade decide on reducing the prices proportionately, there would be no objection to assessing duty on such reduced prices, provided that the reduction was general and was otherwise the proper landed cost of the goods under Section 30 (*b*), Sea Customs Act, or represented the proper market value when the goods were assessable under Section 30 (*a*), Sea Customs Act.

The Collector added that the Customs Department had to assess duty on the condition of the goods as known at the time of import and had no control over the goods once they were cleared after payment of duty. It was known that sample sizes had a marketable value and were, in fact, sometimes sold. It would, therefore, be detrimental to revenue if all samples were to be passed free.

As regards the suggestion that duty should be levied on the actual cost of manufacture of the samples, the Collector stated that it would not be feasible to do so for the reason stated in the foregoing paragraph. Under Section 30, Sea Customs Act, the value on which samples were assessable was the value of goods of the like kind and quality. The fact that they were marked as samples did not necessarily reduce their values.

The Committee were in agreement with the views expressed by the Collector and informed the member who had raised the question accordingly.

PROPOSED DUTY ON IMPORTED CASHEW NUTS.

(*See Report*, 1936, *page* 221.)

In February 1937 the Quilon Cashew Merchants' Association requested the Chamber's support to a representation that had been addressed to the Government of India protesting against a proposal that had been put forward by the "All-India Cashewnut Merchants' Association, Madras," for the imposition of a duty on cashew nuts imported into India from Portuguese East Africa.

In addressing the Government of India in the matter the Committee referred to the fact that in May 1936 the Chamber was asked by the Government of Bombay for its views on a proposal that had been made to the Government of India for the levy of a duty on cashew nuts exported from India. In replying to this reference the Committee stated that they failed to see how the Indian producer could benefit by an export duty or similar handicap on foreign cashew nuts. Similarly the Committee considered that a duty on imported cashew nuts, while not benefiting the Indian producer, would tend to drive away from British India a flourishing trade which benefited not only the large number of people employed in preparing the nuts for export but also the coastal carrying interests.

The Committee pointed out that cashew nuts were being prepared in British India, Portuguese India, Brazil, China, West Africa and Haiti and chiefly consumed in America. Any increase in the price of the raw nuts to British Indian factories would naturally have an effect in favour of rival centres of production. Raw nuts from East Africa were imported into Mangalore, Marmagoa, Malvan, Vengurla, Cochin and Quilon after transhipment at Bombay, and after preparation and packing at the factories at those ports were forwarded to Bombay for transhipment to foreign countries, chiefly America. The cost of the raw nuts landed in Bombay was less than one anna per pound. The cost of the prepared nuts f.o.b. Bombay varied between 5 annas and 8 annas per pound according to quality. The

yield of the prepared nuts was about a quarter of the weight of the raw nuts. It would thus be seen that the Indian earnings on transport, preparation and packing were considerable.

If an import duty was imposed in British India the quantity of nuts prepared and exported from Portuguese territory would undoubtedly increase and Marmagoa had opportunities of direct shipment to American ports.

The Committee expressed an earnest hope that the Government of India would not accede to the request of the All-India Cashewnut Merchants' Association, Madras, to re-impose a duty on imported cashew nuts.

IMPORT DUTY ON STEARIC ACID AND STEARINE.

In December 1936 an exporting house in England suggested to the Chamber that steps might be taken to reduce the import duty in India on British stearic acid and stearine in order that there might be a preferential duty in favour of the British product.

In reply the Committee pointed out that if the firm desired a preferential duty for British-made stearine on import into India the proper channel through which their application should be made was the Board of Trade in London, for the question of preference was purely a matter for reciprocal arrangement between the Governments of the two countries concerned. If the Board of Trade considered that they had a good case they would have the opportunity of negotiating during the discussions for the renewal of the Ottawa Trade Agreement.

EXPORT OF SPORTS GOODS WITH A RUBBER CONTENT.

In May 1937 the attention of the Committee of this Chamber was drawn to the considerable inconvenience that was being experienced by exporters of sports goods such

as hockey sticks, cricket bats, tennis rackets, etc., on account of the existing regulations under which the exportation of any articles with a rubber content, however small, was prohibited, unless the shipper could produce either a certificate of origin in the case of foreign rubber to show that the origin of the rubber was other than Indian, or in the case of Indian rubber a license permitting the export of the rubber from the Indian Rubber Licensing Committee. In addressing the Indian Rubber Licensing Committee, Travancore, in the matter, the Committee stated that they understood that the various sports goods manufacturers in Sialkot did not themselves import the rubber required for the goods they manufactured, but purchased such rubber from various merchants locally according to their particular requirements. It was almost impossible in consequence for the manufacturers to obtain certificates of origin in respect of the rubber used.

The Committee added that they were informed that in the majority of cases the rubber was of foreign origin and only a small quantity was used in the manufacture of the sports goods in question. They enquired therefore, whether it would not be possible for the Licensing Committee to give discretionary power to the Collectors of Customs at the major ports to permit such goods to be exported without the production of licenses or certificates, subject to any restriction as to the quantity or percentage of value of rubber in each article or consignment, that the Licensing Committee might deem necessary. Unless this was done it was feared that there was every likelihood of India losing the market for its sports goods in foreign countries which had been obtained only through strenuous efforts over a considerable number of years. The Committee expressed an earnest hope that very early action would be taken in the matter.

Subsequently the Chamber was informed that the Collector of Customs, Bombay, had decided that ordinarily game requisites with rubber grips would be allowed to be

exported without examination provided that the relative shipping bill bore a declaration to the effect that the rubber grips were made out of imported manufactured rubber. The Customs Department reserved to itself, however, the right of making an examination of such goods whenever necessary.

EXPORTS OF TANNED LEATHER TO THE UNITED KINGDOM.

In April 1937 the Associated Chambers of Commerce of India brought to the notice of the Chamber that proposals had been put forward by the Board of Trade, London, for a discussion between representatives of the leather industries in the United Kingdom and in India with a view to arriving at a trade understanding in the matter of the export of tanned leather from India to the United Kingdom. British tanners were apparently much concerned at the rapid increase in the imports from India of chrome tanned leather at prices which were stated to be very low. The papers received by the Chamber in the above connection were placed at the disposal of members interested.

" FLANNEL " AND " SUPERFINE"

Trade Description of Terms.

(*See Reports* 1933, *page* 123 ; 1935, *page* 93 ; 1936, *page* 101.)

In August 1937 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber regarding the trade description of the terms " flannel " and " superfine " as given in rule 53 of the Merchandise Marks Manual. He enquired as to whether it was a fact that articles commonly known in the trade as " flannels " and " superfines " were being manufactured with an admixture of silk, cotton, or some other fibre and what was the maximum percentage of such admixture.

The Committee in their reply stated that they were of opinion that rule 53 of the Merchandise Marks Manual should be amended and the terms " flannel " and " superfine " deleted since it was no longer customary for these terms to be confined to pure woollen fabrics. The Committee added that they were unable to define a maximum percentage of silk, cotton or other fibre which might be mixed with wool to enable an article so manufactured to be classified as " flannel " but they considered that no fabric should be so classified which did not contain a certain percentage of wool.

INDIAN MERCHANDISE MARKS ACT, 1889.

Proposed Revision.

In March 1937 the Associated Chambers of Commerce of India asked for the views of the Chamber on certain proposals of the Government of India for the compulsory marking of the country of origin on foreign goods imported into British India. In a memorandum issued by the Government of India it was stated that the latter were of opinion that a change in the Merchandise Marks law of the country was necessary and that the question should be actively pursued. The provisional conclusions of the Government of India were that legislation might be on the following main lines namely :

(*i*) That the Governor-General in Council may be empowered to prescribe by notification in each case, after such enquiry as he may deem fit, that certain specific goods should at the time of import bear an indication of the country of origin. No such provision is to be made to cover goods at the time of sale.

(*ii*) That where marking of goods is made compulsory it may be prescribed that not only the goods but also the parts of the goods imported as well as packages or containers should bear the mark of origin, such marking being indelible where practicable.

(*iii*) That no distinction should be made between goods produced or manufactured in the Indian States and goods produced or manufactured in British India and the regulations should apply only to goods made or produced beyond the limits of India.

(*iv*) That the regulations should also apply, where necessary, to goods in transit through India to a foreign country.

(*v*) That in order to facilitate the identification of the country of origin in the counter-indication required by the proviso to section 18(*e*) of the Sea Customs Act, 1879, the words " or, if such language and character are those used in any country outside Asia, in the English language " be added to proviso (*ii*).

(*vi*) That the special privilege under the present Act whereby the United Kingdom goods bearing the marks of British Indian firms or dealers need not be marked with an indication of origin may be withdrawn.

(*vii*) That, to deal with the fraudulent practice now prevalent in the case of some articles which, by the affixation of loose transfers, are represented to be of an origin or manufacture different to their actual origin or manufacture, it may be made an offence to import, deal in or possess a transfer, label, etc., with the intention of applying the same or with reason to believe that the same is intended to be applied to substantive goods of which, when affixed thereto, it will constitute a false description.

After consulting the Import Sub-Committee, the Committee informed the Associated Chambers that in their opinion the proposals of the Government of India were not unreasonable and that all imported goods should bear an indication of the country of origin.

The Chamber was informed subsequently that the views of the constituent Chambers had been forwarded to the Government of India by the Associated Chambers.

ALLEGED FRAUDULENT STAMPING OF COTTON PIECEGOODS MANUFACTURED BY CERTAIN INDIAN MILLS.

In November 1937 the Director of Industries informed the Chamber that the attention of the Government of India had recently been drawn to certain malpractices resorted to by some Indian mills in the cotton piecegoods trade in this country. Complaints had been made of fraudulent or incorrect stamping of length and width on cotton piecegoods manufactured by certain Indian mills, and the Government of India had been urged to take appropriate action to mitigate the malpractices.

Government pointed out that under Sections 6 and 7 read with Section 2 of the Indian Merchandise Marks Act, 1889, it was open to any aggrieved or interested party to institute legal proceedings in respect of goods exposed for sale which bore false trade marks or false trade descriptions. Action could also be taken by the Local Government under the Bombay Weights and Measures Act 1932, which *inter alia* provided for penalty for giving short weights or measures in case of articles sold or delivered.

Government stated that they were investigating the question of devising some appropriate machinery for the purpose of checking the evil, and ensuring that the provisions of the law were being carried out. In the meantime they drew attention to the penal provisions of the Indian Merchandise Marks Act, 1889, in regard to the stamping of trade descriptions and the sale of cotton piecegoods.

EXPORT OF JUNIPER GIN FROM THE BOMBAY PRESIDENCY TO THE PUNJAB.

(*See Reports*, 1930, *Vol. I, page* 238 ; 1931, *Vol.* 1, *page* 301 ; 1932, *page* 287.)

In July 1937 at the instance of a member, the Committee addressed the Government of the Punjab in regard to the restrictions imposed by that Government affecting the export of juniper gin from the Bombay Presidency to the Punjab. It appeared that whereas gin manufactured at the Government Central Distillery, Nasik, had free access to other Presidencies, the conditions under which it might be imported into the Punjab were of such a nature as unnecessarily to restrict its sale in that province. The restrictions referred to were :—(1) The supply of juniper gin to traders in the Punjab was entirely prohibited; (2) Private consumers alone were allowed to import, and their imports were restricted to one dozen at a time.

It appeared that these restrictions did not apply to gin manufactured in the United Provinces. The Committee asked the Government of the Punjab to explain the reasons for this apparent differentiation in treatment.

The Government of the Punjab in reply stated that it was a fact that the concession of importing a restricted volume of gin had been enjoyed for years past by the Rosa distillery, a concession made on account of the historical connection of the distillery with the territory under the Punjab Government and that as this concession was based on past history and was not being extended, it could not be quoted as a precedent to justify a departure from settled policy for the convenience of modern trade development.

The Committee considered the reply of the Government of the Punjab was unsatisfactory but felt that under existing circumstances no support would be forthcoming if the matter was referred to the Government of Bombay. They decided therefore to take no further action.

LAND CUSTOMS (AMENDMENT) BILL.

In January 1937 a Bill was introduced in the Legislative Assembly for the purpose of amending the Land Customs Act, 1924 (XIX of 1924).

In the statement of objects and reasons appended to the Bill it was mentioned that in view of the existing definition of "foreign territory" the Indian Land Customs Act, 1924, did not apply to the frontiers of Indian States. It had therefore been necessary to utilise the provisions of the Land Customs Act, 1857, in connection with the land customs lines which had been established on the frontiers of Kathiawar and Cutch. Experience had shown that the Bombay Act was seriously defective in several respects, and it was therefore proposed that the all-India Act should be made applicable to all frontiers.

It was also proposed that sections 88 and 168 of the Sea Customs Act should be included in the list of sections which applied to the land frontiers. Section 88 gave the customs authorities power to dispose of unclaimed goods and section 168 gave power to confiscate vehicles used for the conveyance of smuggled goods. It had been found that these powers were required by the land customs officers.

It was added that the proposed amendments would not in any way prejudice the treaty rights of the States and did not imply any intention of extending or increasing the existing land customs lines. Their purpose was merely to secure uniformity in customs administration throughout India.

The Committee informed the European Group in the Central Legislature that in their opinion there was nothing objectionable in the Bill.

The Bill was passed by both Houses of the Central Legislature and received the assent of the Governor-General on the 4th March 1937 (Act III of 1937).

INDIAN RAILWAY ENQUIRY COMMITTEE.

(*See Report* 1936, *pages* 109 *and* 299.)

It was recorded in the Chamber's Report for 1936 that a Railway Enquiry Committee had been appointed under the chairmanship of Sir Ralph Wedgwood for the purpose of examining the position of the Indian State-owned Railways and to suggest such measures as might, otherwise than at the expense of the general budget, (*i*) secure an improvement in net earnings due regard being paid to the question of establishing such effective co-ordination between road and rail transport as would safeguard public investment in railways while providing adequate services by both means of transport; and (*ii*) at a reasonably early date, place railway finances on a sound and remunerative basis.

The Report of the Indian Railway Enquiry Committee was published in June 1937 and was carefully examined by a special Sub-Committee of the Chamber whose report formed the basis of a letter addressed by the Committee of the Chamber to the Railway Board. Copies of this letter were circulated to members through the medium of the monthly "Excerpts" and for purposes of record it is printed in full in the Appendices.

INDIAN RAILWAY (AMENDMENT) BILL.

Prescribing of Maxima and Minima Rates.

On the 23rd August 1937 a Bill was introduced in the Legislative Assembly for the purpose of amending the Indian Railways Act, 1890, with a view to remedying an omission in the Act (as amended). The latter Act contained, at the moment, no provision that gave Government the power to prescribe maxima and minima rates and fares for railways in India. Government had, however, exercised this power since the beginning of railway operations, over all railways in India, irrespective of whether they were owned or managed by itself or by private companies or by Indian States, local authorities, or provincial governments. To give this power of the Central Government statutory recognition, until such time as a new Federal Railway Law was passed, or for a period extending for five years after the Federation, an amendment to the Indian Railways Act had been found necessary.

The Committee informed the European Group in the Central Legislature, who had referred the Bill to them, that they had no views to put forward.

SHORTAGE OF RAILWAY WAGONS.

In February 1937 the Associated Chambers of Commerce of India enquired whether this Chamber was disposed to support a representation that had been addressed by the Bengal Chamber to the Railway Board urging that in order

to deal with the constantly recurring periods of wagon shortage, all the railways should take their requirements of loco coal for the entire year in the slack season, thus utilising wagons in that season and releasing them in the busy season.

In replying to the Associated Chambers the Committee stated that they desired to support the representation of the Bengal Chamber and added that if for any reason the suggestion that the railways should take their supplies of coal in the slack season was not considered practicable by the railways, it was nevertheless most important that sufficient wagons should be available to move general produce and goods during the busy season. The Committee pointed out that it was more than probable that a number of these wagons might have to lie idle in the slack season, but it should be realised by the Railways that if there were insufficient wagons available in the busy season they were opening the door to competitive methods of transport—the very thing that the railways themselves did not wish to do.

In May 1937 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received by the Bengal Chamber from the Railway Board in which it was stated that some misapprehension appeared to exist in respect of the principal cause of industrial and other interests being unable to obtain their coal requirements during the early months of the current year. The Railway contended that the main cause was to be found not in a scarcity of wagons, but in the prevailing shortage of coal at that time, largely due, it was understood, to a shortage of labour in the mines and to colliery owners giving preference to market supplies commanding a higher price. Railways had themselves passed through a position similar to that experienced by industrial and other interests and had it not been possible to increase raisings from railway collieries the traffic on at least three railways would have been severely restricted during December and January last.

The Railway Board added that action was taken every year to build up stocks of coal at locomotive depots during the period prior to that when the demand for wagons reached its peak, and that it was due mainly to the aforementioned labour difficulties at other than railway-owned collieries that Railways were unable, during the closing months of 1936 to build up their stocks to the extent considered practicable.

In this connection, it was pointed out that the contracts for the supply of coal to Railways provided for delivery to be made in prescribed monthly quantities, subject to such variations in any months as circumstances necessitated. It was unfortunately impracticable for Railways to stock their requirements for the entire year during the slack season, for the same reasons as precluded industrial concerns from building up their stocks as a safeguard against collieries failing to supply coal and the possibility of wagons not being readily available to meet all demands during the busy season.

While the Bengal Chamber Committee were not satisfied with the Railway Board's reply, they decided, in deference to the wishes of the Indian Mining Association, not to take further action in this matter for the time being, and the President of the Associated Chambers expressed a hope that in the circumstances the constituent Chambers would agree that further action was not desirable, at any rate for the present.

The Committee informed the Associated Chambers that they agreed with the views of the President.

The situation apparently again became critical early in January 1938 and the Chamber received further complaints from members. The Coal Wagon Supply Committee issued two notifications on the 13th January 1938. In one they requested all public utility concerns and other consumers to communicate with the Committee stating the exact nature of their concerns, the amount of coal on

hand and their average monthly consumption with particulars of collieries in order to facilitate wagon supplies for loading coal at times when there were not sufficient wagons to meet all requirements in full.

In the other notification the Coal Wagon Supply Committee stated that in order to avoid the possible closing down of some mills and other industrial concerns owing to the non-supply of wagons for loading their coal it had been decided that public utility concerns who were entitled to wagons under priority would receive no supplies on Tuesday, Thursday and Saturday for two consecutive weeks commencing from Tuesday, the 18th January 1938.

Shippers of bunker coal were informed that their requirements of bunker coal for shipment at Kidderpore Docks should take advantage of the wagons which would be available during these three days. The Calcutta Port Commissioners were requested to open steamer stations to suit bunker suppliers and to enable railways to supply wagons accordingly.

Jute mills, cloth mills, woollen mills, paper mills and other public concerns not entitled to wagons under priority list were requested to arrange with their coal suppliers to load wagons on their account on the days mentioned.

Both the above notifications were brought to the notice of all members.

INDIAN RAILWAY CONFERENCE ASSOCIATION.

Bulletins Pertaining to the Working of Indian Railways.

During the year under review the Indian Railway Conference Association decided to issue to the Press and to the Chambers of Commerce and others, from time to time, bulletins which might be of public interest in respect of matters pertaining to the working of Indian Railways.

The following bulletins were received during the year and were placed at the disposal of members :—

(*a*) Railways—Cost of administration.
(*b*) Railways—Charges for Transportation.
(*c*) Notification and quotation of Railway freight rates.

RAILWAY RATES.

Proposed Central Organisation for Distribution of Information.

In August 1937 a joint communication was received from the Chief Traffic Manager, G. I. P. Railway, and the General Traffic Manager, B. B. & C. I. Railway, in which they suggested the establishment of a Central Organisation for advising firms of changes in goods rates of commodities in which they were particularly interested. It was pointed out that at the moment any changes in rates were notified in rate circulars which were issued at regular intervals and were obtainable by the public on payment. An examination of these circulars was laborious and important details might be missed as they contained much information in which an individual firm might not be interested. It was with a view to simplify this procedure that consideration was given to the establishment of the above organisation. It was proposed that as this would involve considerable additional expenditure by the railways, a charge of Rs. 15 per year per firm per commodity would be levied.

After obtaining the views of the members of this Chamber the two railways were advised that while there was a universal desire that such an establishment should be formed, the following criticisms and suggestions were offered.

(*a*) Whilst certain firms were of opinion that the organisation should be part and parcel of the railways establishment and as such the expenses of running it should be at the railways own cost, most firms dealing in one or two commodities were prepared to pay the annual subscription of Rs. 15 per commodity which would cost little if

anything more than was now paid for the railways rate-change circulars. Firms, however, with many interests considered that the rate of Rs. 15 a year for each of the commodities which might in some cases amount to a hundred or more would be prohibitive, and it was suggested that the subscription should be quoted on a graduated scale either according to the number of commodities required, or modified by grouping commodities and making a progressive reduction for two or more commodities or commodity groups and a lower charge for "zone" rates as compared with all-India rates. The question of commodity groups and railway zone groups, if adopted, might possibly be a matter for collaboration between Chambers of Commerce and other associations interested, and the railways.

(*b*) One subscription should embrace all branches of an individual firm wherever it might be established in India.

(*c*) It was understood that the present intention of the railways was to establish one organisation only, but in view of the very considerable congestion in work which would probably occur and which in consequence might result in delays and possibly inaccurate quotations, it would seem desirable to open a Goods Rates Bureau at most important centres.

(*d*) It might be advantageous for the proposed railway organisation to distribute information to centralised associated interests, such as, Cotton, Engineering, Flour Mills, Grain and others who were in a position to communicate the information to those interested in the circles they represented. By such an arrangement much of the cost of the scheme might be avoided.

RAILWAY RATES CIRCULARS.

In June 1937 the Chief Traffic Manager, G. I. P. Railway, enquired whether the practice of inserting notices in newspapers, when any new rates circulars were issued, was of such use to the public as to warrant its continuance.

The Committee informed the Chief Traffic Manager that they did not consider it possible to judge the value of the advertisements inserted in newspapers whenever a new rates circular was issued, by the number of direct responses received thereto. The Committee pointed out that the original purpose of issuing these advertisements was to remind dalals of firms and others responsible for arranging railway freight to examine the new circulars and so keep their own notes up to date.

The Committee were, therefore, in favour of these advertisements being continued until there was more definite evidence that the expenditure thereon was unjustified.

RAILWAY TARIFFS FOR INDIVIDUAL COMMODITIES.

In October 1936 the G. I. P. Railway issued a special tariff book containing the rates for full pressed cotton in operation over its system. In February 1937 the Chief Traffic Manager of the Railway informed the Chamber that he proposed to introduce further tariffs dealing with individual commodities or with groups of commodities and asked for suggestions as to the commodities for which tariffs could, with advantage, be issued. All members of the Chamber were circularised in the matter and as a result of the replies received it was suggested to the Chief Traffic Manager that in addition to cotton separate tariff books might be issued for:—(1) Groundnuts and other oilseeds; (2) Sugar (*a*) Imported ; (*b*) Indian ; (3) Petrol ; (4) Kerosene ; (5) Lubricating Oils ; (6) Fuel Oils ; (7) Greases ; (8) Asphalt ; (9) Piecegoods in full pressed bales ; (10) Cotton waste, loose in boras and pressed in bales ; (11) Cement in paper or gunny bags ; (12) Motor Industry ; (13) Iron and steel products.

RAILWAY CLASSIFIED LISTS OF LARGE LOT AND WAGON LOADS.

In January 1937 the G. I. P. Railway and B. B. & C. I. Railway jointly asked for the Chamber's views on a proposal of the Indian Railway Conference Association to delete the classified rates for large lot or wagon loads from the General Classification of Goods. It was mentioned that so far as the G. I. P. and B. B. & C. I. Railways were concerned it was proposed to notify as exceptions the existing wagon load or large lot classifications for those commodities which were at the moment moving extensively at these rates, and that in regard to other commodities station to station rates would be quoted where necessary on the basis of the existing large lot or wagon load classifications.

After considering the proposals in consultation with the Docks and Railways Sub-Committee, the Committee informed the Railways that they agreed to their adoption.

RAILWAY FREIGHT ON COTTON.

Rebates.

In November 1937 the Chamber's attention was drawn by a member to a notification issued by the North Western Railway regarding a rebate of 20% of the freight charges at existing rates which would be allowed to the British Cotton Growers' Association, Khanewal, on consignments of cotton (raw), full pressed, booked by that Association from certain stations in the Punjab to Cawnpore Central Goods Shed and Mill Sidings in Cawnpore, provided the following three conditions were fulfilled :—

(*i*) that a minimum of 75,000 maunds of cotton were booked to Cawnpore Central Goods Shed and Mill Sidings in Cawnpore within the period from 1st November 1937 to 31st August 1938.

(*ii*) that no consignments were sent by the said Association by any other means of transport to Cawnpore.

(*iii*) that freight was actually paid by the British Cotton Growers Association.

It was laid down that consignments of cotton (raw) full pressed would in the first instance be charged at the existing ordinary tariff rates and the rebates of 20% would be allowed on the total freight charges over the N. W. and E. I. Railways on application provided the conditions referred to above were fulfilled.

It was suggested that the Chamber should approach the Railways either to cancel the rebate as it stood, or to make the rebate available to cotton to all destinations outside the Punjab and not only Cawnpore. It was also felt that a handicap was placed upon the small trader by the imposition of a guarantee of a minimum of so large a quantity as 75,000 maunds of cotton before the rebate was procurable.

The matter was strongly represented to the Chief Commissioner Railway Board by the East India Cotton Association.

After giving the problem very careful consideration the Committee informed the member that they felt that on general principles they were unable to support a representation against the railways being permitted to defend their traffic against road competition in such manner as they considered necessary.

The Committee did not entirely agree with the statement that the suggested railway rebate gave the big merchant an undue advantage, since there remained to the smaller trader an equally cheap or cheaper mode of transport, that is to say, by motor lorry.

If in order to qualify for the suggested concessions railways had fixed minimum figures so high as to exclude the facility from those who were likely to wish to take advantage of it, the Committee felt that representations might advantageously be made by the trades affected to have the limit adjusted.

As regards the complaint of the reduction of freight over one section of the railway and not over all, the Committee understood that this was a practice which the railways had resorted to quite frequently in order to protect their traffic both in cotton and other commodities, and as the Chamber represented many interests they regretted their inability to oppose such action on general grounds, though they quite appreciated that interests dealing with only one commodity might have quite a good case to submit to the railways.

RAILWAY FREIGHT ON COTTON.

Ratio of Freight to Market Value.

(*See Reports*, 1933, *page* 200 ; 1934, *page* 193.)

In June 1937 the Indian Central Cotton Committee informed the Chamber that they were examining the relative incidence of the ruling railway freights on cotton and other commodities with reference to their respective market rates with the object of securing for cotton, if possible, a more favourable classification in the matter of railway freights, and also as far as possible of suggesting lower railway freights where it was found that higher rates operated against the free movement of cotton, and so tended to discourage cotton cultivation. It was proposed to approach this problem by comparing the ratio of the freight on raw cotton, on typical railway routes, to its market value at the point of despatch with similar ratios for other raw materials and manufactured goods, for, say, the past two years.

The information regarding raw cotton and other raw materials was being obtained elsewhere but the Chamber was asked to supply the following information regarding cotton yarn and piecegoods :—

(1) Centres within the Bombay Presidency and important centres in the rest of India to which cotton yarn and piecegoods were exported from Bombay.

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(2) Routes and mileage along which these goods were generally carried and the railway freights to the same centres.

(3) Price per maund of the representative types of goods at the point of despatch.

(4) Details as to what particular routes, if any, along which, in the opinion of the Chamber, the existing freight rates on cottor were considered to be high.

After consulting the Docks and Railways, Import, and Cotton Sub-Committees, the Committee forwarded to the Indian Central Cotton Committee a statement of traffic in piecegoods booked from Bombay *via* the G. I. P. Railway during the two years ending 31st March 1936. (Figures pertaining to the B. B. & C. I. Railway were not obtainable). This statement partially supplied the information required in questions 1 and 2 referred to above. As regards question 3 the Committee also forwarded a statement setting out the price per maund of certain representative types of yarn and cloth at the point of despatch.

With reference to question 4 the Committee stated that they believed that the railway companies adjusted themselves to any special circumstances by the adoption of "concession rates" when competition demanded special consideration and the Chamber had no information which would suggest that any particular routes could be subjected to any criticism other than the general one that cotton interests considered the tariff too high.

RAILWAY CLASSIFICATION OF GOODS.

AMENDMENT IN RESPECT OF CERTAIN COMMODITIES.

(*See Report* 1936, *page* 117.)

During the year under review the Chamber was again asked by the Indian Railway Conference Association for its views in regard to several proposals that were put up for discussion at the various meetings of the Commercial Committee in connection with the amendment of the General Classification of Goods. After consulting the Docks and

Railways Sub-Committee in each case, the Committee approved of most of the proposals and except in the cases noted below they offered no comments.

Jingles (Iron Bells) used on the necks of bullocks (December 1936).—The Committee recommended that they should be classified as Iron or Steel, Division B, and that a special entry of " Bells " should be provided in the list of articles to which rates for Iron or Steel Division B applied.

Tower Bolts (December 1936).—Differing opinions were held by the various railways that had been addressed in the matter.

The Committee informed the Indian Railway Conference Association that in their opinion tower bolts, if made of iron, should be classified under " Iron or Steel, Division B."

Pumping and Boring Tools (February 1937).—Some of the Railways considered that pumping and boring tools, should be classified under " Tools, not otherwise classified," at 4 R. R. while the E. I. Railway charged under the head " Machinery other than electrical " at 2 O. R., 2B. R. R. The Assistant Industrial Engineer stated that the tools both for pumping and boring were only " Agricultural implements not worked by their own power " as they were intended only for the use of the agricultural population and they should be charged as " agricultural implements and machines, not otherwise classified, not worked by their own power."

After consulting members interested in the trade the Committee informed the Indian Railway Conference Association that from the particulars placed before them it was evident that the description given of pumping and boring tools was not adequate for the purpose of determining the appropriate classification of the articles the railways had in mind.

The Committee understood that the following articles might be included under the above mentioned description :—(*a*) Water boring plant; (*b*) Boring tools, which would include rock drills, coal drills, etc.; (*c*) Pumping plant, *i.e.*, the actual pump, either mechanical, electrical or steam.

In dealing with each of these articles the Committee commented as follows :—

If (*a*) was for tube wells, it would not be inappropriate to classify it as " Agricultural implements and machines, N.O.C., not worked by their own power," packed 1st class R. R., unpacked 1 O. R. and " Water boring plant " might be added to the list under that heading in the General Classification.

(*b*) in the opinion of the Committee should come under " Tools, N.O.C." 4 R.R.

(*c*) the Committee understood, was already provided for in the General Classification under the head of " Pumps " and indexed to "Machinery, other than electrical."

Toilet Requisites. (*February* 1937.)—The Indian Railway Conference Association brought to the notice of the Chamber that as a result of the G. I. P. Railway proposing that an entry " Toilet requisites 8 R.R." be introduced in order to provide for booking of mixed consignments of such articles as toilet cream, brilliantine, hair oils, hair dressing preparations, hair pins, combs, brushes, etc., it was decided by the Commercial Committee in Serial No. 656 of their meeting No. 30 that " Toilet requisites, mixed " be classified at 6 R.R.

The introduction of this entry in the Indian Railway Conference Association Goods Tariff had given rise to an anomaly, that articles of common toilet use such as toilet cream, dental cream, nursery powders, etc., when booked separately were charged 8 R.R. but when mixed together and declared as " Toilet requisites, mixed," freight was

levied at the 6th class rate. The contention of dealers that it would be reasonable also to classify "Cream, toilet", "Cream, dental", "Powder, nursery, etc." at 6 R.R. which was the classification for similar articles of general household use, appeared reasonable.

The Chamber's views were asked therefore on a proposal to classify, toilet cream, dental cream, nursery, toilet or tooth powders, at 6 R.R.

After consulting the Docks and Railways Sub-Committee, the Committee informed the Indian Railway Conference Association that in their opinion it was not unreasonable to rate the three toilet requisites at 6 R.R. It seemed to the Committee that the term "Toilet requisites, mixed" was vague and should not have been introduced.

Minerals (April 1937.)—The Indian Railway Conference Association asked for the views of the Chamber in connection with a list of commodities that it was proposed to treat as mineral and stone for the purpose of Rule 70, Chapter I, of the Indian Railway Conference Association Goods Tariff No. 20 which governed the calculation of demurrage and freight charges on minerals and stone in through booking.

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that they had no comments to put forward in connection with the items mentioned in the suggested list. It was not clear, however, to the Committee, why pig iron and steel were included in the list while other metals were omitted. The Committee also submitted the names of the following minerals, not mentioned in the list, the inclusion of which, they suggested might be considered when the list was being amended :—Kaolin (China Clay), Kyanite, Galena (Lead Ore), Copper, Magnesite, Mica, Iron Ores (including Red and Yellow Ochres), Wolfram.

Enamelled Ware (*April* 1937.)—The Committee stated that in their opinion the manufacturers of enamelled ware had just cause for complaint that the existing classification was high. Assuming that 18 dozen enamelled plates of the normal size of 9" and rated at 6th class were sent from Bombay to Calcutta, the railway freight would cost Rs. 9-12-5. 18 dozen 9" brass plates would cost Rs. 6-8-3. Even at 4th class it would cost Rs. 7-4-10 for the same journey for the enamelled plates. Apart from the difference in the cost of transport the intrinsic value of the brassware would be about 30 per cent. higher than that of the enamelled ware.

Whistles (*April* 1937.)—The Committee informed the Indian Railway Conference Association that in their opinion the proposal of the South Indian Railway for the separate classification of whistles at 4 R.R. was not suitable. Taking a dictionary description of a whistle the term would apply to steam whistles, flutes, penny whistles, organ pipes, wooden whistles, etc. The Committee understood that there was at the moment considerable difference in the charges of the various kinds of whistles, and rightly so. It seemed that the South Indian Railway required some abatement of the charges levied on iron whistles and the following classification would, the Committee thought, meet the case without disturbing the rates for the other kinds of whistles :

"Whistles, iron, as for Iron and Steel, Division B., viz., 2 R.R."

Country-made Quinine. (*April* 1937). The Committee stated that in their opinion no differentiation should be made between imported quinine and country made quinine and the two commodities should be classified alike. The Committee strongly deprecated any attempt at differentiation in railway freight rates on the ground of source of origin as they considered such a step would be incongruous in a country where high protective customs tariffs were

already established and it would not only add unnecessary complications to the Railway Tariffs but would also open up opportunities in favour of the dishonest trader to the detriment of railway revenues and the honest trader.

Titanium Oxide (*May* 1937).—The Committee informed the Indian Railway Conference Association that they approved a proposal of the B. B. & C. I. Railway to index Titanium Oxide in the General Classification of Goods to "Colours and Dyes, Division A."

Subsequently the Associated Chambers of Commerce of India enquired whether this Chamber was agreeable to representations being made to the Indian Railway Conference Association in support of a suggestion of the Madras Chamber that Titanium Oxide should be included under "Colours, Paints, and Dyes, Division B."

The Committee informed the Associated Chambers, however, that they had already advised the Indian Railway Conference Association that they agreed to the indexing of Titanium Oxide to "Colours and Dyes, Division A" and were unable to support the Madras Chamber.

Petroleum Jelly (*June* 1937).—The Indian Railway Conference Association asked for the views of the Chamber on a proposal of the East Indian Railway to classify for Railway freight purposes all varieties of petroleum jellies the same as grease, or that the existing entry "Petroleum Jelly" be altered to read "Petroleum Jelly, White" and "Petroleum Grease or Jelly, not otherwise classified" be classified as "Grease." The Railway favoured the classification of all petroleum jellies the same as grease as this would be more satisfactory from a practical standpoint.

After consulting the Docks & Railways Sub-Committee the Committee informed the Indian Railway Conference Association that in their opinion all petroleum jellies should be classified as grease.

Cotton Linters (*June* 1937).—The Committee informed the Indian Railway Conference Association that they were in favour of classifying cotton linters separately but in view of the fact that the intrinsic value was so low, they were of opinion that there was insufficient justification for the application of the 4 R.R. and 2 R.R. classification and recommended the following :—

Linters, unpressed	3 R.R.
Linters, pressed	1 R.R.

Paris Green (*July* 1937).—The Committee informed the Indian Railway Conference Association that since Paris Green was almost exclusively used by the public health authorities for anti-malarial work, they considered that freight thereon should be kept as low as possible, and suggested that 2A R.R. 2 O.R. would be a suitable classification.

Furthermore, it appeared that the bulk of this trade was in drums of 28 or 56 lbs. It was desirable that it should not be treated as arsenic was, *i.e.* in the dangerous group on which the minimum freight chargeable was for 20 maunds. This restriction might seriously affect the trade as the usual purchase made by Municipalities was one or two drums at a time only.

Sulphited Cellulose Extract (*August* 1937).—The Committee informed the Indian Railway Conference Association that they saw no objection to rating sulphited cellulose extract at 1 R. R. They pointed out, however, that from information received by them it appeared that the commodity was used in the treatment of wool and not for tanning and added that if this information was correct a separate classification should be allocated and it should not be grouped with tanning extracts as had been suggested to the Indian Railway Conference Association.

Unassembled Parts of Tins (*August* 1937).—The Committee informed the Indian Railway Conference Association that as it had been decided to charge printed tin sheets

for making the boxes as "Tinned Sheets", they were of opinion that, unassembled parts of confectionery tins including the caps, should be charged as "Tinned Sheets" on the same principle.

Anti-Malarial Oil Mixtures (*September* 1937).—The Committee informed the Indian Railway Conference Association that they considered the introduction of concessional rates for anti-malarial mixtures was highly desirable. They did not think that the question of carrying the ingredient oils as such, should arise, as, if the Railways agreed to grant special concessional freight rates on anti-malarial mixtures their revenue would be safeguarded against fraudulent despatch of fuel oils at the special freight rates for anti-malarial mixtures in the following manner. A register of the names of manufacturers and/or importers of anti-malarial mixtures should be kept by the Indian railways, which should include particulars as to where the mixtures were made and from what stations they would be despatched. A written undertaking should be given to the railways that the malarial mixtures were sold only for use as larvæcides. The names of the manufacturers registered with the railways would be the only parties allowed to book anti-malarial mixtures at the concessional freight rate and they would be provided by the railways with a special book of forms in which the name of the actual user of the anti-malarial mixtures would be entered at the time of booking.

The Committee felt that the method outlined above would safeguard the railways against fraud and would confine the business of anti-malarial mixtures to the manufacturers/importers and direct consumers thus excluding the middleman, which would tend to keep the price of the anti-malarial mixtures as low as possible and at the same time eliminate the class of consignor who would be most likely to abuse any special facilities which the railways might offer for the transportation of the mixtures.

In conclusion, the Committee recommended that such concessional rate as might be decided on should be the lowest possible freight rate.

Dichor-Diflour-Methane (*Freon Gas*) (*September* 1937).—The Committee in the first place suggested that in the classification the name "Freon" should be used with the chemical name in brackets and not *vice versa*, since "Freon" was the more common term. Further it had been stated that the gas was regarded as dangerous but from the information received by this Chamber it appeared that the qualities of the gas were as follows :—

Explosion hazard.—Freon was not explosive in any concentration.

Combustibility.—Freon would not support combustion.

Stability.—Freon would decompose in the presence of a flame or a very hot object into irritant and poisonous gases.

Toxicity.—Freon had no ill effects in concentration up to 20 per cent.

Uses.—Freon was in general used as a refrigerant for air conditioning purposes even for hospitals and theatres.

Wax. (*September* 1937.)—The Committee informed the Indian Railway Conference Association that they were of opinion that a lower rate of freight on wax was justified and suggested that if the Railways did not see their way to introduce an Owner's Risk rate they should at least be prepared to make a suitable reduction in the Railway Risk rate.

RAILWAY RISK NOTE FORM "Y."

At a meeting of the Committee of the Chamber with the Chief Commissioner and Financial Commissioner of Railways held on the 24th July 1935 the question of the re-classification of the cinema films under Railway Risk Note Form 'Y' and the exclusion of films from the list of excepted articles was discussed informally and it was decided that the railways

should look into the matter. Eventually conferences between the General Traffic Manager and representatives of the trade, both importing and indigenous, were held and a full discussion of the existing difficulties took place. The chief difficulty was stated to be in regard to booking of films when, through economic conditions, the film industry's clients much too frequently were unable to release the V. P. P. under which the Railway Receipt for a film was sent, or unfortunately in a number of cases waited for some days in an endeavour to secure the requisite amount of money to release the V. P. P. Having fail edfor one reason or another to raise the money to secure the film through the V. P. P. they advised the distributors and it then became necessary to rebook this film parcel to some other station in India which, since films were excepted articles, involved the signature of Risk Note form 'X' before despatch. Thus in addition to the time taken on account of non-acceptance of films originally, further time was taken up by the necessity for complying with Railway regulations.

To overcome this difficulty the Railway proposed that instead of asking individual consignors of films to execute Risk Note 'X' whenever it was necessary they should suggest to the Indian Railway Conference Association that the Railways' regulations would be complied with by all despatchers of films signing Risk Note form 'Y' (the alternative form to 'X' available for a period of 6 months) for each railway over whose lines they might desire to make despatches. Since the proposal involved a different interpretation of the validity of Risk Note form 'Y' to that generally accepted, solicitor's opinion was called for and they confirmed the Railway view that the signature of Risk Note form 'Y' for each separate Administration over whose lines it was desired to make despatches would cover Railways in their specific liability and would enable rebooking of films on receipt of a telegram or written request from a party to do so and would thus ensure a great saving of time, and consequently of money, to exhibitors.

This proposal, together with the solicitor's opinion thereon, was submitted to the Commercial Committee for Interchange of the Indian Railway Conference Association who by a majority passed the following resolution :—

"Res. 793.—The Commercial Committee recommend that Risk Note form "Y" should be executed by film distributing companies separately for each railway over which the films are to be despatched and that each Railway should retain Risk Note form "Y" at its headquarter office and should notify its staff that consignments of films tendered by the distributing companies who have executed Risk Note form "Y" may be accepted for despatch without execution of further risk notes."

The Chamber was informed later that the matter had again been placed before the Indian Railway Conference Association, and that the Commercial Committee had decided that their original resolution should be given effect to.

As a result, it would be possible for the cinema traders who were desirous of doing so, to execute risk notes 'Y' current for 6 months, at Bombay, not only for the G. I. P. Railway but also for other Railways over which they wished to despatch film parcels and once these risk notes had been signed and registered by each railway, it would be possible for such parcels to be rebooked without additional risk notes having to be taken out. Stations would be advised as soon as the various Risk Notes had been signed, to comply with requests for rebooking without asking for additional Risk Notes, provided always that the rebooking destination was on a Railway for which a Risk Note had been signed. These Risk Notes would have to be renewed every six months.

SPEEDING UP OF GOODS TRAINS.

At an informal meeting held in August 1937 between the Committee of the Chamber and the Chief Commissioner of Railways who was accompanied by the Agents of the G. I. P. and B. B. & C. I. Railways, the question of the speeding up of goods traffic arising from the recommendation in the Report of the Railway Enquiry Committee

was alluded to. The Chief Commissioner considered that improvements might be made by speeding up connections at changing stations and transfer points but had no further suggestions to offer except that the Chamber's opinion would be welcomed as to whether any specific commodities might be available in sufficient bulk to enable special express goods trains to be run as was being done successfully in the case of cotton.

The Committee addressed all members in the matter and enquired whether they had any suggestions to offer both on this point and on the general question of the speeding up of goods traffic.

No replies containing any constructive proposals were received from members in response to the above circular except from certain of the oil interests. The Committee decided to take no further action with the Railway Authorities but suggested to the oil interests that it might be advisable for them to refer the matter direct without the intervention of the Chamber.

RAILWAY LOCAL ADVISORY COMMITTEES.

In September 1937 the Punjab Chamber of Commerce asked for the views of this Chamber on the question of the reform of Local Advisory Committees on Railways. The Punjab Chamber stated that they were advised by one of their members who represented Delhi Province on the North-Western Railway Local Advisory Committee, Lahore, that members of this Advisory Committee were insufficiently representative of any substantial interest and that the Railway Administration was inadequately responsive to important proposals largely because they were lost in a multitude of minor and even trivial matters which took up the time of the Committee.

The Punjab Chamber proposed to move a resolution on the subject at the annual general meeting of the Associated Chambers of Commerce of India in December 1937.

In reply the Committee stated, that they would be opposed to supporting such a resolution as they did not consider the complaints of one member of the Local Advisory Committee against the personnel of the Committee and the way its business was conducted constituted a proper subject for a resolution at the annual meeting of the Associated Chambers.

Further the Committee drew attention to the fact that both in Bombay and in Calcutta a Committee had been formed under the designation of the " Closer Contact Committee " composed of the Agents of the Railways and various groups of trade interests. The existence of these Committees ensured that matters affecting goods traffic rarely appeared on the agenda for meetings of the Local Advisory Committees of the Railways, and the Committee of this Chamber thought that the formation of such a Committee would be advantageous in the case of the Punjab Chamber.

In response to a further reference from the Punjab Chamber, the Committee stated that if the other constituent Chambers were prepared to support a resolution as proposed by the Punjab Chamber, they would not oppose its being included in the agenda.

CASH RECEIPTS FOR RAILWAY FREIGHT.

In July 1937 a member requested the Chamber to take up with the Indian Stores Department and the Auditors to the Governments of Bombay and the Central Provinces the question of the demand of those Departments for money receipts or vouchers in cases where railway freight was prepaid. The member pointed out that in the case of hazardous goods although the sales were made F.O.R., they were obliged to prepay freight and their bills would not be passed by the Indian Stores Department or Municipalities without a supporting voucher or money receipt showing the actual amount of freight paid on the

consignment. The member operated a Deposit System with the Railways but the preparation of these money receipts entailed considerable extra work both for their own and the railway staff. The member added that the amount of railway freight paid was shown on the rail receipt which in all cases was sent to the purchaser and could be verified against the bills which accompanied the railway receipt.

The Committee informed the member that they were not in favour of making representations on this matter to the Indian Stores Department or other public bodies as they considered there was little chance of persuading them to alter their existing system.

Furthermore, the Committee did not think that much was to be gained in the aggregate provided the railways were prepared to issue certificates of money receipts for prepaid freight as a matter of routine when asked to do so by individual consignors.

UP-COUNTRY SURVEYS.

Claims for Shortages against Railways.

(*See Report* 1936, *page* 143).

It was recorded in the Chamber's annual report for 1936 that the Chamber had suggested to the Associated Chambers of Commerce of India that the Railway Board might be addressed with a view to the railway companies permitting surveys to be held at railway stations by insurance companies' representatives before goods were removed from the railway premises.

The Chamber was subsequently informed that the Railway Board had been addressed in the matter and that the latter had in turn referred the question to the Indian Railway Conference Association and a reply from the latter was awaited.

RAILWAY MILEAGE COUPON SYSTEM.

(*See Report* 1926, *Vol. I, page* 217; 1927, *Vol. I, page* 156; 1929, *Vol. I, page* 159).

In March 1937 the Indian Merchants' Chamber asked for the views of this Chamber on a suggestion that the facility of mileage coupon tickets granted to commercial travellers might be extended to insurance agents, brokers, bankers, etc.

As the Committee understood it the position was that mileage coupon tickets had been re-introduced only with considerable reluctance by the Railways on account of the difficulties which the Railways experienced previously in restricting their use to the *bona fide* purposes for which they were issued and, apart from the fact that the amount of travelling done by brokers, bankers, insurance agents, accountants and architects was in all probablity considerably less than that done by the representatives of the average mercantile firm, there was the possible difficulty from the point of view of the Railways of knowing exactly where to draw the line in the case of brokers, accountants and insurance agents since these were callings in which an individual as apart from a firm was very often engaged.

The Committee felt therefore, that the time was not yet ripe for the Railways to be asked to extend the re-introduced system beyond its present scope, and in informing the Indian Merchants' Chamber to this effect, they stated that they would be prepared to reconsider the question after the scheme had been working for say, a year and the Railways found that they were in a position to control the scheme adequately in its existing limited application.

JOINT TOWN PLANNING COMMITTEE.

(*See Report* 1936, *page* 153).

The Joint Town Planning Committee which was formed in 1936 for the purpose of co-ordinating the views of various unofficial public bodies in regard to the various schemes of building and city development, continued to function

during the year under review. In February 1937 Sir John Abercrombie, the Chamber's nominee on the Joint Town Planning Committee, resigned his seat and Mr. A. McIntosh was nominated to serve in his stead. The following were some of the matters discussed by the Committee during the year :—

(1) Development of Palton Road, Queen's Road and Worli Estates, and Colaba Railway Lands.

(2) Town Planning of Lonavla.

(3) Town Planning of Juhu.

(4) Accommodation of servants, workmen, small salaried people, etc. at Colaba.

(5) Ribbon Development.

(8) Remodelling of Wodehouse Bridge.

(9) Treatment of the surface of the Marine Drive, Back Bay Reclamation and other matters pertaining to the Marine Drive.

(10) Improvement of Villages and Towns.

The Joint Town Planning Committee towards the end of the year decided to draw up a memorandum together with the appropriate schedules setting out the principles considered desirable, in town planning, in the development of land, in the erection of buildings and the construction of roads affecting the problem of transport, in the Bombay Presidency, for submission to the Government of Bombay after reference to the Bombay Municipality. At the time of writing this report the Technical Sub-Committee of the Joint Town Planning Committee had the matter in hand.

HORNBY VELLARD.

In February 1937 Mr. C. P. G. Wade, the Chamber's representative on the Municipal Corporation, asked for the views of the Chamber on proposals that were under the consideration of the Bombay Municipal Corporation for the improvement of Hornby-Vellard by raising the sea wall, providing a 20′ promenadealong the sea wall, widening the carriageway to 60′, constructing a 20′ katcha footpath on the east side of the carriageway and improving the lighting.

An alternative proposal provided for a 20′ footpath by the side of the sea shore and the strengthening of the existing railing. It also provided for a carriageway of 40′ for traffic going north and 40′ for traffic going south on the reclaimed land by the side of the footpath which would be retained in the centre of the two roads. It was estimated that this alternative scheme would be considerably cheaper than the Works Committees' original scheme.

The Committee informed Mr. Wade that from the information at their disposai it appeared that the alternative and cheaper scheme would be adequate provided the bend at the Worli end of the road was straightened out and the road was properly lighted.

In September 1937 the Standing Committee for Roads passed a scheme for widening the bottle neck bridge across the storm water channel at Love Grove between Hornby Vellard and Worli at an estimated cost of Rs. 3,08,000.

TRAFFIC AMENITIES IN BOMBAY.

In February 1937, the Committee were informed by the Chamber's representative on the Traffic Advisory Committee that the Government of Bombay had intimated to the Commissioner of Police that if there was any surplus revenue from the motor vehicle tax, it was proposed to consider giving a grant to the Bombay Municipality for the purpose of providing traffic amenities in Bombay. The Commissioner had been asked to submit his recommendations as to the terms on which the grant should be made.

In addressing the Honorary Secretary of the Traffic Advisory Committee on the subject the Committee put forward the following general suggestions for the consideration of the Commissioner :—

(*a*) It was considered that Bombay City should get a share of the distributable surplus at least proportionate to the share of the total tax which Bombay motorists bore in comparison with rest of the Presidency.

(*b*) The Committee were of opinion that any sum granted to the Bombay Municipality for this purpose should be utilised in addition to and not in substitution of any monies which that body might have set aside in the past or were considering setting aside in the future for similar purpose. In order to ensure that this object was achieved the Committee recommended, that the grant should be credited in the Municipal books under a separate head and a clear account should be kept of the traffic amenities on which it was spent.

(*c*) The Committee considered that the traffic amenities to which the funds were to be applied should include, additional footpaths where they were most urgently needed, properly marked pedestrian crossings, guard rails at busy pedestrain crossings such as had been put up at the junction of Princess Street and Queen's Road, spot lights over point duty policemen, additional traffic islands and simple sign boards for instructing pedestrians and motorists in the case of one-way streets, parking restrictions, silence zones, etc.

The Committee understood that a suggestion had been made that a portion of the Government grant should be earmarked for the purpose of educating and persuading the public to use the amenities to be provided. The Committee supported this idea in principle but before expressing any definite opinion they enquired as to what would be the proportion of the grant likely to be set aside for this purpose.

The Committee were subsequently informed that the Traffic Advisory Committee had decided to recommend to Government that as on an average 40 per cent. of the sales of pětrol was in Bombay City, the latter should receive 40 per cent. of the funds available. It was also decided to suggest to Government that a small permanent Committee of officials and non-officials should be appointed to draw up a programme of work each year in consultation with the Municipality. This Committee would consider amongst other things the priority of the various works proposed.

It was also decided to recommend to Government that grants should be made on a fifty-fifty basis on the amount the Municipality was prepared to spend. The objects on which it was suggested the grants might be spent would include :—

(1) Automatic signals.
(2) Overhead spot lights for traffic policemen.
(3) Provision of car parks.
(4) Provision of improved visibility at corners.
(5) Safety railings at corners.
(6) Pedestrian crossings.
(7) Traffic islands.
(8) Painting traffic lines, " STOP " signs, etc.
(9) Painting kerbs and fixing reflectors to improve visibility at night.
(10) Directional lamps.
(11) Illuminating directional boards.
(12) Umbrella-shaped structures at simple intersections.
(13) Education of pedestrians in road sense, etc.
(14) Provision of traffic lanes.
(15) Any other item of a similar nature which might be recommended from time to time.

The Government of Bombay replied to the Commissioner of Police to the effect that the matter would be considered in 1938 when the disposal of the surplus proceeds of the Motor Vehicles Tax for that year would be under consideration.

ROAD DEVELOPMENT FUND.

On the 10th February 1937 a resolution was moved in the Central Legislative Assembly in regard to the creation of a separate Road Development Fund out of the proceeds of the extra duty of Customs and Excise levied on motor spirit. Prior to the Resolution being moved the Indian Roads & Transport Development Association addressed the Government of India and asked that the matter should be dealt with by a Bill instead of by a Resolution. In addressing the European Group in the Central Legislature on the subject the Committee of this Chamber stated that

in their opinion it would serve no purpose and merely be a waste of time to try and persuade the Government of India to introduce a Bill instead of the proposed Resolution. They considered that efforts should be directed towards doing what was possible to ensure that the Resolution was passed in an acceptable form.

The contentious portion of the Resolution was clause 3(3)(*a*). In a telegram addressed to the Group on 2nd September 1936 the Committee had expressed the view that the powers sought to be taken by the Central Government encroached unduly on the rights of Provinces. While adhering to this view the Committee since came to the conclusion that no objections the commercial community might make would have any effect. The Central Government were in a very strong position and they knew it. They might be able to get their own way completely merely owing to the fear that, if they did not, they would discontinue altogether handing over a portion of the proceeds of the petrol tax. The Committee pointed out, however, that there would be considerable opposition to the Resolution or to a Bill having the same object as the Resolution, should it be decided to adopt the latter course, and Government would probably be prepared to bargain to a certain extent.

The Committee stated that it would be generally agreed that motor transport must be controlled and regulated, not restricted. Transport, particularly rail and road, must be co-ordinated and that could only be done properly by a Central Authority. The intention appeared to be that the Governor-General in Council should be that Authority. But so long as the Central Government were suspect, as they were at the moment, of deliberately opposing road projects merely because they might or would affect railway revenues deleteriously, the proposal that the Governor-General in Council should have the final word in connection with the expenditure of the Road Fund could not be really acceptable. The Committee suggested that the European

Group should endeavour to get the best modifications they could, if any. It was largely a matter of political bargaining on the spot. Various proposals had been put forward. That for an independent tribunal was open to objection on the ground of the size of the country and the probable expense involved. Another proposal was that the Governor-General in Council would have to act on the advice of the Standing Committee for Roads. Any such modification that tended to make the Governor-General in Council less biased and more reasonable seemed to be desirable. It was to be hoped that some practical proposal would emerge as the result of the report of the Railway Enquiry Committee.

It was a matter for regret that the Railways and the Central Government had created the definite impression time after time that they thought of the Railways only and were incapable of taking a broad view. Cases were known where traffic was deliberately diverted, increasing the route mileage and number of hours journey enormously as compared with the alternative road route. If Government were prepared to do this where there was an alternative road route it must be assumed that they were not likely to be reasonable about making new or improving old roads which might even in the most far-fetched sense compete with railways.

In regard to the actual terms of Clause 3(3)(*a*), the chief difficulty appeared to be that nothing was known as to what might be recommended for the " regulation and control of motor vehicles." That again would probably be decided after the Indian Railway Enquiry Committee had reported. In all the circumstances the Committee thought that Clause 3(3)(*a*) might be accepted in the hope of the adoption of rules which would be fair to all parties. Clause 3(3)(*a*) laid down that if in the opinion of the Governor-General in Council the Government of any Governor's Province had at any time failed to take such steps as the Governor-General in Council might recommend for the regulation and control of motor vehicles within the Province

the Governor-General in Council might resume the whole or any part of the sums which had at that time been allocated for expenditure in that Province.

In regard to Clause 7(*vi*), with the advent of Provincial Autonomy the Provinces would have to be responsible for any loans they raised, both as to capital and interest. This was presumably the explanation of this provision and the Committee suggested it was unnecessary to object to it. They thought, however, that the words " or to be spent " should be inserted as recommended by the Indian Roads and Transport Development Association. It was proposed to lay down by Clause 7(*vi*) that the sums allocated for expenditure in British India might, subject to the previous approval of the Governor-General in Council to each proposal made, be expended upon, among other things, the interest and amortization of loans approved or sanctioned before the date of the Road Fund Resolution, and spent on the construction, reconstruction or substantial improvement of roads and bridges.

In regard to Clause 9(2) which lays down that the Chairman of the Committee shall be one of the official members of the Committee whom the Governor-General in Council might from time to time appoint, the Committee entirely agreed with the Indian Roads and Transport Development Association that the Chairman of the Standing Committee for Roads should not be a Railway official.

The Resolution evoked considerable discussion both in the Legislative Assembly and in the Council of State and was finally passed in the following form :—

" In supersession of the Resolution adopted by this Council on the 21st April, 1934, this Council recommends to the Governor-General in Council that :—

1. There shall continue to be levied on motor spirit an extra duty of customs and of excise of not less than 2 annas per gallon and the proceeds thereof shall be applied for the purposes of road development.

2. (1) From the proceeds of such extra duty in any financial year there shall be deducted a sum as near as may be equivalent to the share in such proceeds arising from taxed motor spirit used for

purposes of civil aviation during the calendar year ending in the financial year concerned, and such sum shall be at the disposal of the Governor-General in Council for allotment as grants-in-aid of civil aviation.

(2) The balance of the proceeds shall be credited as a block grant to a separate Road Fund.

(3) For the purposes of this Resolution "taxed motor spirit" shall mean motor spirit upon which the duty of customs or excise shall have been paid and in respect of which no rebate of such duty shall have been given.

3. (1) The Road Fund shall be allocated as follows:

(a) a portion equal to fifteen per cent. shall be retained by the Governor-General in Council as a Central Reserve:

(b) out of the remainder there shall be allocated by the Governor-General in Council,

(*i*) a portion for expenditure in each Governor's province;

(*ii*) a portion for expenditure elsewhere in British India;

(*iii*) a portion for expenditure in Indian States and administered areas, as near as may be in the ratio which the consumption of taxed motor spirit, other than motor spirit used for the purposes of civil aviation, in each area for which an allocation is to be made shall bear to the total consumption in India of taxed motor spirit, other than motor spirit used for the purposes of civil aviation, during the calendar year ending during the financial year concerned.

(2) The portions allocated for expenditure in Governor's provinces shall be retained by the Governor-General in Council until they are actually required for expenditure in the manner hereinafter specified.

(3) If in the opinion of the Governor-General in Council the Government of any Governor's province has at any time:—

(a) failed to take such steps as the Governor-General in Council may recommend for the regulation and control of motor vehicles within the province, or

(b) delayed without reasonable cause the application of any portion of the Road Fund allocated or re-allocated as the case may be for expenditure within the province, the Governor-General in Council may resume the whole or part of any sums which he may at the time hold for expenditure in that province.

(4) All sums resumed by the Governor-General in Council from the account of any Local Government as aforesaid shall be re-allocated between the credit accounts of Local Governments and the Reserve with the Governor-General in Council in the ratio of the main allocation for the financial year preceding the year in which the re-allocation is made. Provided that the sum so calculated as the share of the province from whose account the resumption has been made shall also be credited to the Reserve with the Governor-General in Council.

4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.

5. No expenditure shall be incurred from any portion of the Road Fund save as hereinafter provided.

6. The Central reserve with the Governor-General in Council shall be applied first to defraying the cost of administering the Road Fund and thereafter upon such schemes for research and intelligence and upon such special enquiries connected with roads and upon special grants-in-aid for such objects connected with roads as the Governor-General in Council may approve.

7. The sums allocated for expenditure in British India may, subject to the previous approval of the Governor-General in Council to each proposal made, be expended upon any of the following objects namely :—

(*i*) on the construction of new roads and bridges of any sort;

(*ii*) on the reconstruction or substantial improvement of existing roads and bridges;

(*iii*) in special cases, on the maintenance of roads and bridges, constructed, reconstructed or substantially improved from the Road Fund or from loans approved or sanctioned by the Governor-General in Council;

(*iv*) to meet charges, including the cost of establishment, connected with the preparation of schemes of road development, or with the administration of provincial Boards of Communications;

(*v*) to meet charges including the cost of establishment connected with the control of motor transport; and

(*vi*) on the interest and amortization of loans approved or sanctioned before the date of this Resolution by the Governor-General in Council, and spent or to be spent on the construction, reconstruction, or substantial improvement of roads and bridges.

8. In considering proposals for the construction, reconstruction, or improvements of roads and bridges from the Road Fund, the Governor-General in Council shall have regard to the present urgent need for improving the efficiency and reducing the cost of transport by road, of agricultural produce to markets and railways.

9. (1) A Standing Committee for Roads shall be constituted each financial year consisting of:—

(a) the Member of the Governor-General's Executive Council in charge of the department dealing with the Road Fund, provided that should the said Member of the Governor-General's Executive Council be unable to be present at any meeting he may nominate some one in his place;

(b) one nominated official member other than a Railway official who shall be a member of the Legislative Assembly;

(c) three members elected by the members of the Council of State from amongst themselves;

(d) six members elected by the members of the Legislative Assembly from amongst themselves; and

(e) the Chief Commissioner of Railways.

(2) The Chairman of the Committee shall be one of the official Members of the Committee other than the Chief Commissioner of Railways whom the Governor-General in Council may from time to time appoint.

(3) No approval to any proposal for expenditure from the Road Fund shall be given by the Committee unless it is supported by:—

(*i*) a majority of the members present and voting who are members of the Legislative Assembly, and

(*ii*) a majority of the members of the whole Committee present and voting.

(4) All proposals for expenditure from the central reserve and all other proposals for expenditure from the Road Fund to be made in British India shall be referred by the Governor-General in Council to the Standing Committee before he approves of them.

10. The functions of the Standing Committee shall be:—

(a) To consider the annual budget and accounts of the Road Fund.

(b) To advise upon all proposals for expenditure from the central reserve.

(c) To advise upon the desirability of all other proposals involving expenditure from the Road Fund in British India.

(d) To advise upon proposals for the resumption of moneys held by the Governor-General in Council as provided for in sub-paragraph (3) of paragraph 3 of this Resolution.

(e) To advise the Governor-General in Council generally on all questions relating to roads and road traffic which the Governor-General in Council may refer to the Committee."

CENTRAL TRANSPORT ADVISORY COUNCIL.

In December 1936 the Associated Chambers of Commerce of India enquired whether this Chamber was in favour of the Association addressing the Government of India in support of a request made by the Madras Chamber to the Government of Madras that in future meetings of the Central Transport Advisory Council, local commercial and other concerned interests should be consulted in

connection with the items on the Agenda which affected roads, the development of roads and regulations affecting motor road transport.

The Committee informed the Associated Chambers in reply that they desired to support the Madras Chamber's request and in this connection mentioned that in November 1936 this Chamber's representative on the Bombay Board of Communications moved the following resolution which was carried *nem con* :—

"This Board considers (1) that the concise Statement of Policy adopted at the meeting in July of the Transport Advisory Council indicates that the Council as constituted at present is insufficiently in touch with public opinion and (2) that, if the Government of India hold that unofficial representation is out of place on an official body such as the Transport Advisory Council, adequate steps should be taken to elicit public opinion on the subjects which may be on the Agenda of any future meeting of the Transport Advisory Council. The Government of Bombay is accordingly requested to bring these matters to the notice of the Government of India."

In October 1937 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been addressed to the Government of India in which it was urged that the necessary steps should be taken to ensure that local road and commercial interests would be consulted as far as possible by the local Governments in regard to all matters that came up for consideration at meetings of the Central Transport Advisory Council. It was also suggested to the Government of India that unofficial bodies should be represented on that Council.

The Committee of this Chamber expressed the opinion that if an unsatisfactory reply was received from the Government of India prior to the annual meeting of the Associated Chambers the position created would warrant an appropriate resolution being moved at that meeting.

The Government of India replied to the effect that they were unable to undertake that they would not, on occasions consult the Transport Advisory Council on

matters which they did not wish to disclose until after such consultation and reserved the right to mark certain of the papers for the Council 'confidential'.

The Government of India added that in general they would welcome consultation by Provincial Governments of their Boards of Communications in respect of the subject matter on the agenda of the Council and added that the purport of the Associated Chambers' suggestion in regard to the desirability of allowing unofficial bodies to be represented on the Council was being brought to the notice of the Council and a further communication would be addressed to the Association thereafter.

ROAD FROM DHOLLERA TO THE SEA.

In January 1937 the Chamber's representative on the Bombay Board of Communication asked for the views of the Committee on a proposal of the Government of Bombay to obtain the sanction of the Government of India to the allocation of Rs. 2¼ lakhs from the reserve of the Petrol Tax Fund for the purpose of constructing a road from Dhollera to the sea.

In replying to the Chamber's representative the Committee stated that they were by no means opposed to the construction of a port for Dhollera if it was found that the proposition was a practical one, but they considered that the Government of Bombay should not embark on the construction of the proposed road from Dhollera until they had fully explored the possibilities of developing the port.

As far as the Committee were aware no survey had been undertaken of the Malcolm Channel or any portion north of the Bhavnagar Creek which would have to be traversed by vessels approaching the site. The Committee believed that the existing charts were completely out of date and they were consequently of opinion that it would be most unwise for Government to go to the expense of constructing at a cost of 2¼ lakhs, a road, 10 miles of which

would have to traverse flat sea swamp and salt land, until all concerned were satisfied that it would be possible to develop the port.

In January 1938 the Government of Bombay in replying to an enquiry from the Chamber stated that as regards the road to Dhollera for which funds had been allotted by the Government of India, this road was required for the transport of goods landed at Magarveli—the new landing place of the port of Dhollera. Investigations had shown that country craft could come at any tide to the new landing place. Steamers of light draught anchored at a distance of about 4 to 6 miles. In order to enable steamers of larger draught to come as close as possible to Magarveli bunder some improvement in the channel was necessary and the Port Committee would consider what improvements were necessary and feasible but their recommendations would not affect the facilities already available and the necessity for a road from Magarveli to Dhollera.

MOTOR VEHICLES.

Proposed Restriction of Weight in Rural Areas.

In March 1937 the Chamber's representative on the Board of Communications asked for the views of the Committee on a proposal that was up for discussion before the Board in regard to the proposed restriction of the weight of motor vehicles used on extra municipal roads. In replying to a reference from the Government of India on the subject the Indian Roads and Transport Development Association Ltd., Bombay, stated that they did not favour the proposed restrictions of motor vehicles operating in rural areas to a maximum laden weight of 4½ tons. They expressed the opinion that the speed control of motor vehicles was not out of the question and that the too rapid deterioration of roads was not due to the weight of the vehicle alone but also to other factors such as speed, tyre equipment and the volume and type of bullock-cart traffic allowed upon the roads.

The Association pointed out that there were already many roads in India capable of carrying heavier loads than 4½ tons and in their opinion the adoption of a uniform maximum weight in a country the size of India would tend to impede and not to help the development and flexibility of transport in rural areas which were more in need of transport development than any other areas in the country. Moreover, they suggested that the possible, 'inter-Provincial disputes and unnecessary hardship to the trade' which the recommendation of the Sub-Committee of the Transport Advisory Council apprehended, would be better provided against by a recommendation to local Governments to make all through roads when constructed or reconstructed, capable of carrying a uniform *minimum* weight. Finally, the Association was strongly of the opinion that the weights which the existing roads could carry must be decided by local authorities and therefore the fixation of maximum weights should be the responsibility of the Provincial Governments who were responsible for maintenance of the roads and not the Government of India.

In any case the Association considered that the limiting of maximum weights was of secondary importance in comparison with the question of speed control upon rural roads carrying both motor and bullock cart traffic.

The Committee informed the Chamber's representative on the Board of Communications that they were generally in agreement with the views put forward by the Indian Roads and Transport Development Association, Ltd.

Under Notification No. 8440/3 dated 12th July 1937, published in Part IV-A of the *Bombay Government Gazette* of the 15th July 1937, the Government of Bombay invited opinions on certain amendments to the Bombay Motor

Vehicles Rules, 1915, providing, *inter alia*, for special rules for goods transport motor vehicles as under :—

The registering authority in such cases should enter in the certificate of registration the following additional particulars :—

(*a*) the maximum load which such motor vehicle is permitted to carry ;

(*b*) the registered laden weight of such motor vehicles ; and

(*c*) the maximum speed at which such vehicle may be driven.

No owner, driver, conductor, attendant or person in charge of a goods transport motor vehicle should load or permit to be loaded any vehicle in excess of the registered load or in such a way as to allow the load to protrude laterally beyond the extremities of the vehicle so as to be a source of danger to other traffic or to any person.

When a goods transport motor vehicle carries or has attached to it any pole or other article which projects beyond the rear of the motor vehicle by more than four feet, there shall be attached to the end of such pole or article—

(*a*) At all times a conspicuous white disc of a diameter not less than 15 inches, so fixed as to be clearly visible from the rear, and (*b*) at night, a lamp exhibiting a red light to the rear in addition to the lamps prescribed for such vehicle or trailer.

No owner, driver, conductor, attendant or other person in charge of a goods transport motor vehicle shall load or permit to be loaded a motor vehicle in such a way that the total height of the vehicle and its load exceeds ten feet in height above the roadway.

No goods transport motor vehicle shall be driven or permitted to be driven on the public road at a rate of speed in excess of the following, viz :—

If the registered laden weight of such vehicle does not exceed 60 cwts.	30 miles per hour.
If the registered laden weight exceeds 60 cwts. but does not exceed 70 cwts.	25 miles per hour.
If the registered laden weight exceeds 70 cwts. but does not exceed 90 cwts	20 miles per hour.

No goods transport motor vehicle having a registered laden weight in excess of 4½ tons shall be driven on any road or in any public place except in the City of Bombay, or such other area as the Government of Bombay may, from time to time, notify.

No person shall be allowed to drive a goods transport motor vehicle unless the registered load and the maximum speed allowed are legibly painted or marked on the vehicle.

Any police officer not below the rank of Sub-Inspector or Sergeant may require any goods transport motor vehicle to proceed to the nearest weighbridge for the purpose of checking the weight of the load carried.

In addressing the Government of Bombay in regard to the above draft rules the Committee of the Chamber put forward the following opinions :—

Draft Sub-Rule 34-*D*. (*Restriction on motor vehicles of registered laden weight in excess of* $4\frac{1}{2}$ *tons*).— The Committee considered that as conveyance charges were a big factor in the cost of every phase of trade and industry, the adaptability of the most economic form of transport to each individual trade and industry should not be reduced or limited by any general rule. The roads should, as funds and circumstances permitted, be adapted to requirements of transport in individual districts or by individual industries, whereas the present proposal was tantamount to having transport units limited to a universal standard of roads below that which was already required and existing in many instances.

The Committee pointed out that destruction of roads depended upon certain technical factors other than the laden weight and speed of motor vehicles, for instance, it would seem unscientific to fix a limit on gross laden weight as this took no account of uneven loading causing excessive wheel load, nor did it take into account the distribution of weight by means of dual wheels.

The Committee stated that in their opinion, therefore, this sub-rule should be amended and such restrictions as were imposed should be made from time to time by the Local Authorities in accordance with the safe carrying capacity of the roads and bridges under their jurisdiction.

Draft Sub-Rule 34-*B*(3) (*Height of load on vehicles*).— The Committee pointed out that the restrictions permissible as to height of the load on a motor vehicle to ten feet would affect many standard type commercial vans and the Committee here again recommended that no universal height limit should be introduced but that this also should be a matter for the local authorities to decide.

In conclusion the Committee stated that they understood that the Government of India had in draft form a Motor Vehicles Bill to replace the Indian Motor Vehicles Act of 1914 and this Bill was likely to be introduced in the Legislative Assembly in the next session. It was believed that this draft Bill contained sections dealing with overloading of vehicles, speed and height limits, etc. They suggested therefore that in order to prevent unnecessary and avoidable inconvenience to trade and transport interests the Government of Bombay might consider the advisability of postponing any action in this matter until the details of the Government of India Motor Vehicles Bill as passed by the Legislative Assembly were known.

The Chamber was subsequently informed that the question of the maximum limit on a uniform scale throughout all provinces of a gross weight of 4½ tons for all public and private vehicles had been discussed by the Transport Advisory Council at their meeting on the 10th December 1937. It was stated that the restriction of 4½ tons had been criticised by the motor trade and other commercial interests as tending to restrict natural development and because many goods vehicles already in general use in India had a greater laden capacity. It appeared that a general restriction to 4½ tons would be a hardship on the trade and would very considerably disorganise road transport throughout a large part of the country. It had been suggested that as far as the conversion of road surfaces was concerned, the restriction of speed and a restriction of load in terms of wheel load or axle weight were more correct criteria than mere restriction of maximum laden weight. Taking these matters into consideration it was felt that it would be reasonable to suggest a limit of laden weight of 4 tons on any one axle, and a total of 5½ tons on any two-axled vehicle or in round figures, in pounds, a maximum axle load of 9,000 lbs. and a maximum gross load of 12,500 lbs. subject to sufficiently large pneumatic tyres being fitted. The proposals would merely localise a small number

of extra-heavy and cumbersome vehicles and inform the trade what vehicles could safely be imported for general use. The general restriction of the nature referred to above would of course be subject to provincial rules allowing greater or less weights in certain areas or on weak roads. The opinion of the Bombay Board of Communications was invited on these proposals and at their meeting on the 16th November 1937 they agreed that the maximum limit of weight of motor vehicles normally permitted for use on extra Municipal roads should be a total of 5½ tons on any two axled vehicle with suitable tyre equipment.

SAFETY GLASS ON MOTOR CARS.

In July 1937 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion put forward by the Upper India Chamber of Commerce that the Indian Motor Vehicles Act, 1914, should be so amended as to make it compulsory for all cars imported into India, and those manufactured in India, to be fitted with safety glass.

The Committee informed the Associated Chambers that they were of opinion that legislation should be introduced prohibiting the importation into this country of motor cars not fitted with safety glass and that it should be compulsory for privately owned cars and vehicles plying for hire already on the road to be fitted with safety front glass and wind screen. In both cases a reasonable period of notice was desirable.

Subsequently the Associated Chambers of Commerce of India informed this Chamber that they had addressed the Government of India enquiring whether they were agreeable to introduce legislation for the amendment of the Indian Motor Vehicles Act, 1914, for the purpose of (1) prohibiting the importation into India and the manufacture in India of motor cars not fitted with safety glass which would withstand the varying climatic conditions without discolouring or crazing, as compared with the

majority of the types of safety glass imported into India up to recent years which could not stand this test and (2) making it compulsory for privately owned cars and vehicles plying for hire and already on the road to be fitted with such safety front glass, and windscreens and windows.

In reply the Government of India stated that the suggestions made were being considered in connection with the amending Bill, but pointed out that under the United Kingdom law, (The Motor Vehicles Construction and Use Regulation 1937, No. 16) safety glass had to be fitted only in windscreens or windows facing to the front and not throughout.

Government added that they would have welcomed some information regarding the available supply of safety glass that would withstand Indian climatic conditions, and mentioned that while a definite improvement had been noticed in recent years they were not aware that there was any make of safety glass that would not discolour and craze after a certain time in India. Enquiries were, however, being made on this point.

In the meantime a further reference was received from the Associated Chambers in connection with a suggestion of the Hon'ble Mr. R. H. Parker that legislation should cover both private motor cars and public service vehicles. The Committee stated that while they felt that the ultimate aim of legislation in this country should be to ensure that both public and private vehicles were fitted with safety glass throughout, they were of opinion that it was too drastic a step to suggest stricter legislation than that in force at the moment in England. They were therefore of opinion that the Government of India should be addressed again on this question in the following modified terms :—

1. Safety glass of an approved make to be compulsory in the case of–

(*a*) private vehicles, front and windscreen glass ;

(*b*) public vehicles, throughout.

2. No new vehicles after the expiry of one year from the date of the Act being passed to be registered unless they complied with this regulation.

3. No vehicle already registered at the time of the Act to be re-registered unless fitted with safety glass as set out in Section 1 after four years had expired from the date of the Act coming into force.

4. No vehicle to be registered or re-registered if in the opinion of the registering authority the windscreen and/or front glass of the vehicles was "crazed" to an extent which would impede the driver's full range of vision.

INSURANCE OF MOTOR CARS AGAINST THIRD PARTY RISKS.

In a notice that appeared in the Press on the 7th November 1936 it was mentioned that the question of enforcing compulsory insurance of motor vehicles against passenger and third party risks as a means of promoting public safety and convenience had been under discussion for several years, and a definite recommendation for the appointment of a committee to report on the question was made by the Transport Advisory Council at its meeting in July 1936. In view of the growth of motor transport and of the rising toll of accidents, the Governor-General in Council considered that the time had come when an attempt should be made to collect all available data on this difficult subject, so that a decision might be facilitated. He accordingly decided, after consulting the Local Governments, to appoint a committee to take such evidence as it considered desirable and submit a report.

The terms of reference to the Committee were :—

(1) The extent to which motor accidents result in injury or death in circumstances where claims for compensation would lie but cannot in fact be recovered ;

(2) The cost of policies of insurance to cover (*a*) passenger and (*b*) third party risks in relation to their possible effect upon the taxable capacity of the vehicles and the cost of operating them ;

(3) To what extent owners of motor vehicles and, in particular, of public motor vehicles are already insured against third party risks and whether it is desirable that certain classes of motor vehicles should be compulsorily insured against such risks, and, if so, what classes and the amounts for which the vehicles of such classes should be insured to cover (*a*) passenger and (*b*) third party risks ;

(4) In the present state of insurance development in this country whether any special conditions should attach to insurance policies for these purposes ;

(5) If insurance is to be made compulsory, whether it is desirable to impose special conditions upon insurance companies which may transact this class of business and, if so, the nature of those conditions.

(6) Whether it is necessary or desirable that Local Governments should specify the companies with which such policies may be effected ; and

(7) Any other questions which may arise out of the examination of this subject and have a bearing on the question of compulsory insurance.

The constitution of the Committee was as follows :—

The Hon. Mr. N. J. Roughton, I.C.S. (*Chairman*),

Mr. Nurmahomed M. Chinoy, Managing Proprietor of the Bombay Garage, Bombay, and

Mr. Ratan Mohan Chatterjee, Solicitor, Calcutta.

Mr. C. H. Reynolds, I.P. (*Secretary*).

The Motor Vehicles Insurance Committee issued a questionnaire in November 1936. After referring the questionnaire to a special Sub-Committee for consideration, the Committee of the Chamber submitted the following memorandum to the Motor Vehicles Insurance Committee on the 20th January 1937 :—

Memorandum of the Committee of the Chamber on the Questionnaire issued by the Motor Vehicles Insurance Committee.

The Committee have carefully considered the questionnaire issued by the Motor Vehicles Insurance Committee and find that the answers to several of the questions can only be given in some cases by the Police Authorities and in others by the Insurance Companies. Answers have been drafted to the other questions on broad

lines only in so far as the general public is affected. The Committee understand that Insurance Companies are dealing with the questions that directly concern their interests through their Association and they would be glad to have an opportunity of considering the views put forward by the Association.

Questions 1 *to* 13, 18, 19, 31 *and* 32.—These questions can only, the Committee think, be answered by the motor registering authorities, i.e., the police and/or by the insurance companies.

Question 14.—Do you consider that Motor Vehicles Insurance should be made compulsory ? If so, in respect of what classes of vehicles ?

Answer 14.—The Committee agree in principle that insurance against third party risks should be made compulsory for all motor vehicles. The necessary legislation and the rules framed thereunder will require very full consideration and careful drafting in order to prevent insurance companies from being unduly exploited and perhaps compelled to raise the rates of premia.

The Committee consider that before any motor vehicle is registered proof must be produced that insurance against third party risks in respect of such vehicle has been taken out.

Question 15.—What class of risks should be covered by compulsory insurance ?

Answer 15.—Compulsory insurance should cover only risk to third parties and to passengers.

Question 16.—Should any, and if so, what minimum sum be specified to cover the third party risks against which a motor vehicle should be insured ?

Answer 16.—It is difficult to answer this question without knowledge of what the premia will be.

Question 17.—In the case of vehicles licensed to carry passengers do you consider that—

(*a*) compulsory insurance should be complete in respect of risks to each and every passenger, or that

(*b*) it would be sufficient if risks were limited to a proportion of the total number of passengers carried.

Answer 17.—The Committee consider that compulsory insurance should be complete in respect of each and every passenger up to the limit, in each case, of the number that the particular car is licensed to carry.

Question 20.—Is there any difficulty in finding insurance companies willing to do this business ?

Answer 20.—The Committee's experience at the moment is that there is no difficulty in finding insurance companies willing to do this business.

Question 21.—Are there any restrictions on the companies doing this business ? If not, does the absence of such restrictions lead to any practical difficulties ?

Answer 21.—This can only be answered by the Insurance Companies.

Question 22.—Should any conditions be demanded from Insurance Companies undertaking the business of compulsory motor car insurance, in the way of a fixed deposit, or otherwise ? If minima are to be prescribed, what figures do you consider suitable ?

Answer 22.—The Committee consider that proof of financial soundness is necessary but are not prepared to express a definite opinion whether or not a fixed deposit should be demanded from insurance companies undertaking the business of motor car insurance (see also answers to questions 23 and 24).

Question 23.—Is it necessary or desirable that Local Governments should specify the companies with which compulsory motor insurance should be effected ?

Answer 23.— Yes, both necessary and desirable, but instead of leaving Government to specify the companies with which compulsory motor insurance should be effected, insurance companies who wish to take on this class of business should approach Government, provide proof of their financial soundness and meet such regulations as may be laid down by Government. Government on being satisfied that the application meets with the necessary requirements could then publish the name of that company as suitable.

Question 24.—Do you consider that any, and if so, what restrictions should be placed on Companies undertaking this business ?

Answer 24.—The Committee consider that there should be no restrictions on companies doing insurance business beyond proof of financial soundness and their names appearing on the approved list referred to in Question 23. If Local Governments are given power to scrutinise the balance sheets of insurance companies it might not be necessary to compel the companies to make fixed deposits.

Question 25.—In the case of large Corporations who may have their own insurance funds, do you consider that such funds may be permitted to continue ? If so, do you consider that the same conditions should be applicable in respect of these funds as may be made applicable in the case of Insurance Companies doing motor insurance business ?

Answer 25.—The Committee are in favour of large Corporations who have their own insurance funds being permitted to continue to do business provided they are in a position to fulfil the requirements demanded of insurance companies.

Question 26.—Do you consider it should be made obligatory on Insurance Companies transacting this class of business to maintain separate accounts in order to facilitate supervision by Government, or do you consider that if accounts are published, publicity will provide an adequate check against unsound companies ?

Answer 26.—The Committee do not consider it necessary for separate accounts to be maintained.

Question 27.—If compulsory insurance is introduced, do you consider that any measures are necessary to secure that persons to whom compensation is due succeed in obtaining it ?

Answer 27.—On the analogy of Workmen's Compensation, it seems desirable to the Committee that compensation money should be paid through some Government official, particularly in the mofussil, so as to ensure that the money is paid to the individual entitled to receive it.

Question 28.—Do you consider any, and if so, what co-operation between Insurance Companies and Motor Vehicles Registration authorities is necessary in order to secure that vehicles for which

insurance is made compulsory do not run on the road unless they have been insured ? In particular do you consider that steps should be taken to ensure that policies for compulsory insurance have to be renewed at the same time that registration fees are due for payment ?

Answer 28.—The Committee consider that there should be the closest co-operation between the insurance companies and the police, the details of which might be left to these two authorities, but the Committee are strongly of opinion that it is desirable that steps should be taken to ensure that no car is allowed on the road unless it is insured. As one means of obtaining this end a car should not be registered for a period beyond that for which it is insured. From the point of view of the public insurance is of greater importance than registration.

Question 29.—Do you consider that legislation to secure the compulsory insurance of motor cars in British India should be introduced in the Central Legislature, or that it should be left to local Governments to make rules under the powers to be conferred by the proposed amendments, to the Indian Motor Vehicles Act, 1914 ?

Answer 29.—The Committee consider that for the sake of uniformity legislation for compulsory insurance of motor cars should be introduced in the Central Legislature.

Question 30.—Do you consider that any special arrangements are necessary for vehicles plying partly in Indian States and partly in British India ?

Answer 30.—Yes.

Question 33.—Are there any other matters which you wish to bring to notice in connection with the proposed introduction of compulsory motor insurance in India ?

Answer 33.—None.

Question 34.—In particular do you consider any legal provisions for the protection of third parties similar to those in force in England are necessary ?

Answer 34.—Yes, in so far as they can be made applicable to conditions prevailing in India.

Mr. A. K. G. Hogg and Mr. D. E. Gough gave oral evidence on behalf of the Chamber before the Motor Vehicles Insurance Committee on Monday, 25th January 1937.

The Report of the Motor Vehicles Insurance Committee was published on the 9th April 1937.

The following is a summary of their recommendations:—

(1) Accidents should be reported on a uniform manner.

(2) State control of premium rates is undesirable, but insurers' revenue accounts of compulsory insurance should be framed in such a way as to give a clear picture of the business transacted.

(3) Insurance against third-party risks should be compulsory.

(4) Such insurance should be compulsory for all classes of motor vehicles, and should include risks in respect of fare-paying passengers in vehicles plying for hire.

(5) Insurance against third-party risks should be limited to Rs. 30,000 in respect of goods lorries, buses and other vehicles plying for hire, and unlimited in respect of all other classes.

(6) Insurance against risks to fare-paying passengers should be limited to Rs. 3,000 per passenger in the case of buses and to Rs. 5,000 per passenger in the case of other hired vehicles (including taxis).

(7) The full liability of third-party claims should be borne by the insurer.

(8) The business of compulsory insurance should not be undertaken by the State.

(9) Injured parties should be given the right to proceed against the insurer when a decree has been passed against the assured.

(10) The English law should be followed in so far as third parties are protected against any repudiation of policies by insurers on certain grounds.

(11) An authorised user of a vehicle should be enabled to claim direct from the insurer without making the assured an intermediary party.

(12) The provisions of the English law with regard to the safeguard of the rights of third parties in the case of the assured's insolvency should be followed; also that relating to the disclosure of the existence of insurance by the assured.

(13) Section 306 of the Indian Succession Act, 1925, should be amended so that an injured person shall retain his remedy at law for personal injuries in the event of the death of the person responsible for those injuries.

(14) Under certain conditions a deposit may take the place of compulsory insurance, but no other alternative is necessary.

(15) In order to make compulsory insurance as light a burden as possible on those engaged in public transport, co-operative insurance should be fostered amongst those engaged subject to certain conditions.

(16) Motor insurance should be separated from other accident insurance business in the returns, etc., to be submitted under the proposed Indian Insurance Act, and should require a separate deposit.

(17) Insurance agent's commission should be limited to 10 per cent. in the case of compulsory insurance.

(18) Liaison between injured parties, the administration and insurers should be left to local Governments to arrange, but to prevent bogus or inflated claims, police reports of accidents should be freely available for insurers' use.

(19) It should be obligatory on insurers to notify cancellation of policies.

(20) The English law regarding certificates of insurance should be followed.

(21) Vehicles entering British India from Indian States should be insured against third-party risks.

(22) In order to reduce the large number of accidents from public vehicles, steps should be taken to put the industry on a sounder basis.

(23) Steps should also be taken to prevent the serious overloading of goods vehicles.

(24) The Indian Motor Vehicles Act should be amended in order to deal more rigorously with negligent drivers.

(25) An offence of rash driving should be dealt with on its merits irrespective of any desire on the part of the parties concerned to compound.

(26) Legislation in connection with compulsory insurance should be Central.

INTERNATIONAL TELECOMMUNICATIONS CONFERENCE, 1938.

(*See Reports* 1933, *page* 231 ; 1934, *page* 195 ; 1935, *page* 159 ; 1936, *page* 154.)

In February 1937 the British National Committee of the International Chamber of Commerce forwarded to this Chamber for comment a draft report on International Telegraph Regulations and Rates that had been drawn up by its Standing Committee on International Telegraph Service for submission to the Governments and Telegraph Administrations of the world for consideration at the International Telegraph Conference to be held at Cairo in February 1938. The draft report was carefully considered

by the Committee in consultation with a special Sub-Committee of the Chamber and a letter was addressed to the International Chamber of Commerce on the lines of the Sub-Committee's Report. (The letter is reproduced in the Appendices to this Report).

In this connection it might be mentioned that at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1936 a resolution on this subject was carried unanimously in the following terms :—

"This Association views with concern the proposals to unify code and plain language telegrams and to abolish deferred message rates which certain Governments intend to make at the International Telegraph Conference at Cairo in 1938 and strongly recommends the Government of India to oppose them.

"This Association urges the re-establishment of a four word minimum for code messages and recommends that a new form of letter cablegram, to be charged for at a very low rate per 100 words, be introduced."

The terms of this resolution, and a copy of the report of the discussion which preceded its adoption, were forwarded to the Government of India, Department of Industries and Labour, who in a reply, dated the 4th June 1937, stated that the Government of India had not yet framed instructions for their delegation to the Cairo Conference, but that the recommendations made by the Associated Chambers would be considered when these instructions were prepared.

In forwarding to the Associated Chambers of Commerce of India a copy of the letter addressed by this Chamber to the British Commissioner, International Chamber of Commerce, the Committee suggested that if the constituent Chambers agreed, the Government of India might be addressed by the Associated Chambers in support of the views expressed therein.

In September 1937, the Associated Chambers addressed the Government of India, Department of Industries and Labour, and requested that in the event of the Government

of India not being in a position to favour the Chambers with full particulars of their instructions for the Government Delegation to the Cairo Conference, Government would be good enough to furnish the Chambers with an indication of the attitude they proposed to adopt in regard to the following four particular items :—

(1) Unification of code and plain language telegrams ;
(2) Abolition of deferred message rates ;
(3) Re-establishment of a four word minimum for code messages
(4) Introduction of a new form of letter cablegrams for which a charge would be calculated at a low rate per 100 words.

Government replied to the effect that they would give full consideration and due weight to the views advanced by the Associated Chambers on the points mentioned in their letter, but regretted that they were not in a position to communicate particulars of the instructions which they might give to the delegation in respect of these or other items of business.

EXTENSION OF THE TRUNK TELEPHONE SERVICE.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1936, the following resolution was adopted unanimously :—

"That this Association is of the opinion that in the development of the telephone system in India, it is essential that the necessity which exists for further extension of the telephone system in rural areas where this could be done on a remunerative basis be not overlooked."

Copies of the resolution and of a report of the discussion which preceded its adoption were duly forwarded to the Government of India, Department of Industries and Labour, Posts and Telegraphs. In April 1937 the Government of India informed the Associated Chambers that, as had been the case for some time past, the necessity for connecting all centres to the general telephone system wherever there was a demand and prospects were considered to be favourable would be kept prominently in view.

POSTS AND TELEGRAPHS SERVICES.

At the annual meeting of the Associated Chambers of Commerce of India in December 1936, a resolution in the following terms was adopted :—

"This Association is of opinion that immediate steps should be taken towards effecting all round improvements in the services rendered to the public by the Posts and Telegraphs Department with particular reference to (1) prompt acceptance for despatch and delivery of telegrams, (2) more accurate service in the transmission of telegrams in order to prevent mutilation and (3) a speeding up of the services generally."

The terms of the resolution and a record of the debate leading up to its adoption were duly communicated to the Government of India, Department of Industries and Labour, Posts and Telegraphs, who subsequently informed the Associated Chambers that the working of the Telegraphic Traffic Branch of the Posts and Telegraphs Department had been carefully reviewed in the light of the resolution and remedial measures had been taken where they had appeared to be necessary.

It was pointed out that prompt acceptance of all telegrams at the booking counters of large telegraph offices was not always easy as the bulk of telegrams were tendered by business houses at particular times of the day, and mostly towards the closing time of the offices of the firms concerned. The employment of a staff adequate to deal rapidly with the peak load would mean that a substantial number of men would be idle for the bulk of the day, but every endeavour was being made to avoid delay in reception. The Government of India suggested in this connection that if senders of telegrams would resort more freely to the use of the phonogram system a considerable saving of time would result and congestion at the booking counters would be relieved. While Government recognized that the time of sending telegrams could not in most cases conveniently be altered, they suggested that it would be of assistance if commercial firms would utilise, as far as this was possible, earlier hours in the day for the despatch of telegrams.

Orders had been issued for special attention to be devoted to the prompt delivery of telegrams and for keener supervision of the delivery staff. An experiment was being made in two large cities, in which receipts were issued on which recipients of telegrams were asked to note the time of receipt as a check on delays in delivery. The possibility of an extension of the system was being considered. Heads of Circles were taking steps to ensure that too many telegrams were not given to any one peon at one time.

The Government of India added that the speedier transmission of telegrams was bound up with many questions bearing on the organisation of the Telegraph Branch as a whole and could not be achieved by the introduction of any single measure of reform. It was a matter which constantly engaged the attention of the Officers of the Telegraph Traffic Branch but increased efforts would be made to effect improved results. Proposals were on hand for supplying more telegraph outlets between Northern India, Bombay and Madras, while a project was under consideration for affording similar increased facilities between Delhi and Calcutta; it was hoped that the former proposal would come to fruition before next cold weather and the latter during the course of the next year.

In acknowledging the receipt of a copy of the above letter the Committee informed the Associated Chambers, that in their opinion the letter showed that due consideration had been given to the complaints submitted and indicated that steps were being taken to remedy defects.

In September 1937 the Associated Chambers of Commerce of India enquired whether any of the constituent Chambers desired to propose or second a further resolution on the subject of the shortcomings of the Posts and Telegraphs services at the annual meeting of the Association in December 1937, as the digest of the comments received from the individual Chambers on the Government of India's reply revealed a certain amount of dissatisfaction.

From enquiries made among the members of this Chamber it appeared that there was a marked improvement in the postal services, although there were still a certain number of complaints in the case of telegrams. In view of this the Committee informed the Associated Chambers that these complaints did not justify this Chamber in proposing or seconding a resolution on the subject, but in the event of any other Chamber desiring to do so, no opposition would be offered.

POSTAL AND TELEGRAPH RATES BETWEEN INDIA AND BURMA.

(*See Reports*, 1933, *page* 83 ; 1935, *page* 38 ; 1936, *page* 171.)

In April 1937, the Associated Chambers of Commerce of India informed this Chamber that the Tuticorin Chamber had suggested that a representation should be addressed to the Government of India protesting against the increased postal and telegraph charges between India and Burma which were brought into force on 1st April 1937. The Associated Chambers enquired whether this Chamber agreed with the suggestion.

In replying to the Associated Chambers the Committee pointed out that in 1935 the Bombay Chamber expressed itself in favour of the Associated Chambers addressing the Government of India urging that the postage and telegraph rates between India and Burma after separation of the latter should be maintained at the level of the Indian inland rates. The Committee were given to understand at a later date that an enhancement of rates was inevitable but that the rates would not be increased beyond the Indo-Ceylon rates.

The Committee supported strongly the suggestion of the Tuticorin Chamber and recommended that, if the constituent Chambers agreed, the Associated Chambers should follow up their letter No. 331 of the 14th April 1936 with a protest to the Government of India against the increase in the rates which came into force on the 1st April

1937. The Committee believed that the Government of India were in a position to reduce the India-Burma rates to their former level if the Government of Burma declined to reduce the Burma-India rates.

The Chamber was informed later that the Associated Chambers had addressed the Government of India, Department of Industries and Labour, strongly urging that the postal and telegraph rates from India to Burma should be brought to the level which obtained prior to the 1st April 1937 when they were increased to bring them into line with the corresponding increases in the rates from Burma to India.

LATE FEES ON POSTAL ARTICLES OF THE LETTER MAIL.

Prior to and after the 16th December 1936, when the fees were revised, the late fee posting arrangements were as follows :—

(1) *Foreign Mails.*

(1) In the Presidency towns of Calcutta, Bombay and Madras unregistered articles, other than parcels, were accepted for despatch by the foreign mails up to certain specified hours on payment of a late fee of four annas. Under the new arrangements this fee had been reduced to two annas.

(2) At stations where there was a Railway Mail Service, unregistered articles, other than parcels, were accepted for despatch by the foreign mails up to certain hours on payment of a late fee of four annas. Under the new arrangement this fee had been reduced to two annas.

(3) In the Presidency towns of Calcutta, Bombay and Madras no articles could be posted in a train letter box at the railway stations. Under the new arrangements letters could be posted in the mail vans by payment of a fee of two annas.

(2) *Inland Mails.*

(1) In the Presidency towns, inland unregistered articles of the letter mail were accepted for despatch by mail trains up to certain specified hours on payment of a late fee of half an anna. This fee had been raised to one anna.

(2) At stations where there was a Railway Mail Service unregistered articles of the letter mail were accepted for despatch by mail trains up to certain hours on payment of a late fee of half an anna. This fee had been raised to one anna.

(3) In the Presidency towns no article could be posted in a train letter box at the railway stations. Under the new arrangements these articles could be posted in letter boxes or on board the mail carrying steamer on payment of a late fee of one anna.

(3) *Mofussil.*

Foreign and inland articles of the letter mail, if posted at "other railway stations," were formerly dealt with as follows :—

(1) If there was a letter box on the platform an article posted in the train letter box must bear an extra half anna postage stamp for inland and four annas for foreign articles.

(2) If there was no letter box on the platform but if there was one within a mile of the railway station the extra fee was leviable only on articles posted in the train letter box between 6 p.m. and 6 a.m.

(3) If there was no letter box on the platform but if there was one within a mile of the railway station the extra fee was leviable only on articles posted in the train letter box between 6 p.m. and 6 a.m.

(4) If there was no letter box on the platform or within a mile of the railway station, articles might be posted in the train letter box without the extra charge.

From the 16th December 1936 the late fee was reduced from four annas to two annas in respect of foreign mail letters and increased from half an anna to one anna for inland articles.

In February 1937 the Associated Chambers of Commerce of India enquired whether this Chamber was prepared to support a representation that the Bengal Chamber had addressed to the Director-General of Posts and Telegraphs protesting against both late fee charges as it was considered that half an anna should be a sufficient charge for late posting facility, if indeed any fee was really justified.

In replying to the Associated Chambers the Committee stated that they welcomed the reduction of the late fee on foreign letters but several of the members considered that the increase in the case of the inland fee was not justified.

In March 1937 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received by the Bengal Chamber from the Deputy Director-General of Postal Services, Indian Posts and Telegraphs Department, in reply to that Chamber's representations on the question of the levy of late fees on postal articles of the letter mail.

The Deputy Director-General pointed out that there had been no increase in the rate of late fee for articles of the letter mail (letters, postcards and packets) when posted in post offices. This remained unchanged at half an anna per article. The rate of one anna applied only to articles posted in R.M.S. mail vans, in R.M.S. offices or on board mail carrying steamers, and had been so fixed in order to reduce, so far as possible large last minute postings in R.M.S. vans and offices, as these caused delay and confusion which might affect the whole mail.

The Deputy Director-General added that late fee postings were introduced in order to give the public every possible facility in connection with the despatch of articles of the letter mail, which for some reason could not be posted within the latest hour fixed for letter-box clearances in the ordinary way. The latter were fixed with a minimum allowance of time for sorting and despatch of mails, and could not be extended with any degree of safety. It followed consequently that a late fee not too high but sufficiently deterrent to prevent large late postings, must be fixed in order to safeguard the interests of the public themselves who would otherwise suffer from the inevitable mis-sortings and delays due to such heavy late postings in R. M. S. offices and vans.

The late fee bore no relation whatsoever to the postage paid on any individual article and was fixed at a uniform rate per article. The Director-General expressed a hope that it would be conceded that his Department was fully

justified in discouraging the abuse, so far as possible, of a concession which was designed for the public good for exceptional occasions only.

The Associated Chambers stated that the Bengal Chamber were inclined to think that the Deputy Director-General had made out a good case for these late fee postings and enquired whether or not this view was shared by this Chamber.

The Committee informed the Associated Chambers that they agreed with the view of the Bengal Chamber.

EMPIRE AIR MAIL SCHEME.

(*See Report*, 1936, *page* 165.)

The following Explanatory Memorandum on the Empire Air Mail Scheme was laid before the meeting of the Standing Finance Committee of the Legislative Assembly on the 27th February 1937 and is reproduced here for purposes of record :—

Demands No. 23—*Indian Posts and Telegraphs Department and No.* 63—*Aviation.*

1. *Concise Statements of the proposals and reasons therefor—*

In 1934 His Majesty's Government in the United Kingdom formulated a scheme, now known as the Empire Air Mail Scheme, for the re-organisation and improvement of the Empire Air services between England, South Africa, India and Australia, and invited India, with the other Empire countries concerned, to participate in it. The success of the scheme could obviously only be ensured by the participation of all the countries concerned. The scheme, in its main features, provided for (*i*) an increase in frequency of the air services from England to India, Australia and South Africa, (*ii*) the speeding up of the air services by a fleet of new flying boats and land planes of greatly increased capacity, and (*iii*) the transfer of all the first class mail (i.e., letters and post cards) between Empire countries (except those in the American continent) to the air. Iraq and Egypt, which are traversed by the air services, are included in the scheme.

2. After very careful consideration the Government of India came to the conclusion that the scheme had considerable advantages to offer to India, provided the terms were suitable from India's point of view. Apart from the advantages of quicker and more frequent communications with other Empi' 'ountries and the rest of the

world, it promised India an important place in the field of international aviation, and provided her with an opportunity for developing internal air communications and so not only keeping in the van of progress but opening up a new field to Indian enterprise. The Government of India, therefore, decided to enter into negotiations with His Majesty's Government and after prolonged correspondence and discussion secured terms which they consider are extremely favourable for her participation.

3. As it affects India, the scheme provides for five services a week in place of the present two services. Of these, three services will be operated by the new Empire Flying boats, which will operate through services between England and Singapore, some of these services being extended to Australia. The remaining two services by land planes will terminate at Calcutta. When the services start in October 1937, the duration of the passage from England to Karachi is expected to be reduced to 4 days, but in the ultimate stage of development, the journey between England and Karachi will be reduced to 2½ days ; between England and Calcutta to 3½ days.

On the postal side, the present system of sur-charged air mail from India to Empire countries within the scheme will be abolished and a uniform rate of postage to these countries of 2½ annas per ½ oz. will be introduced. Parcel and packet mails will continue to be sent by the sea route, but no first class mail to and from countries in the scheme will be despatched or received by sea. The air parcel post will be abolished, except for parcels sent at letter rates. The mails between India and Burma are not included in the scope of the scheme. Similarly, the India Ceylon mails are excluded from the scope of the scheme. Air mails for countries not included in the scheme will continue to be accepted on payment of a sur-charge. It will be evident that the advantage of abandoning the sur-charge system will be to make the benefits of air transport available to a far larger proportion of citizens. From the aviation point of view it will bring about the establishment of an extensive ground organisation permitting both day and night flying thus enabling high speeds to be attained. It will also enable the size of the aircraft to be increased with improvement in comfort and reduction in cost.

4. India's participation in the scheme will be secured through Indian Trans-Continental Airways, Limited, a company registered in India, which as the Committee are aware, at present operate the route between Karachi and Singapore alternately with Imperial Airways, Limited. Under the new arrangements Indian Trans-Continental Airways will be responsible jointly with Imperial Airways for the operation of the two land services between England and Calcutta. The Capital of the company which is, at present, Rs. 10 lakhs will, for the purpose, be increased to Rs. 32 lakhs and the additional capital

will be subscribed by the existing shareholders in proportion to their present holding. The expansion in the activities of the company which this participation will involve may be gauged from the following figures :

	Present.	Under the Empire Air Mail Scheme.
No. of aircraft	2	4
Horsepower of aircraft	2,650	13,000
Weekly mileage operated ..	7,000	13,000
Horsepower miles per annum ..	960 million	8,800 million

The seaplane service which will equally with the landplanes, carry Indian mail and other load, will be operated across India by a slightly different route, which is now being organised, but as India's interest in the development of seaplanes is comparatively small, the Government of India stipulated that no part of the cost of construction of seaplane bases would fall upon them but that the ownership and control of these would nevertheless vest in the Government of India. It follows that India will take no direct part in the operation of the seaplane services, though she will co-operate in the provision of the ground services. Landing places are being prepared in harbours and on rivers and lakes at Karachi, Udaipur, Jhansi, Allahabad, Calcutta, Akyab, Rangoon, Mergui and Victoria Point. The construction of the seaplane bases will be carried out under the direction of the Civil Aviation Directorate and arrangements are being made to meet the capital cost, which will thereafter be recovered from His Majesty's Government.

5. An important aspect of the scheme to which attention may be drawn is the expansion of opportunities for the employment of Indians in aviation. The expansion of the activities of Indian Trans-Continental Airways, Ltd., resulting from the scheme will provide greatly enhanced scope for the employment of Indian personnel of all categories. The Government of India have made arrangements for the employment and training of the largest number of Indians reasonably practicable on the services operated by the Trans-Continental Airways. Further, the principle has been accepted that Indians will not be debarred from employment in any capacity in the services operated by Imperial Airways, provided they possess the qualifications, experience and other qualities which are considered essential. There are practical difficulties in the training of pilots for the seaplane services and as India is not specially concerned with these services, no special arrangements to this end will be made. It is expected, however, that the bulk of the ground staff on the seaplane route in India will be Indianised and arrangements for training will be made. The pace of Indianisation will be set by qualification and will naturally be slowest in the flying staff of the big aeroplanes,

but the arrangements made will ensure that when sufficiently highly qualified and experienced Indians are available, they will be able to play their full part in the operation of India's important share in the Empire Services.

6. The financial implications of the proposal may best be studied under the following heads :—

(*a*) Payments to His Majesty's Government.
(*b*) Remission of customs duty on petrol and oil.
(*c*) Remission of landing, housing and wireless charges.
(*d*) Route Organisation.
(*e*) Investment in Indian Trans-Continental Airways.

(*a*) The duration of the scheme is 15 years and during this period, Imperial Airways are to be paid by His Majesty's Government an agreed sum for the carriage of mails and an additional payment by way of subsidy. India's share in the total payment will be £102,500 (Rs. 13.7 lakhs).

The mail payments have been calculated on the basis of the weight of mails from India to England ; the subsidy portion is based on a variety of factors such as the extent of territory traversed by the services and the ground organisation involved. The total payment which has been reduced after prolonged negotiation represents a very favourable rate. In fact the carriage rate which India has secured is the lowest air mail transport rate ever offered. It amounts to about Rs. 3-6 per lb. on the mails from India to England or Re. 1-4 per ton mile, compared with Rs. 4 per ton mile which is paid at present. The rate is very much lower than that paid by the British Post Office in the reverse direction.

The countervailing receipts are : (*i*) postage on letters to participating countries and (*ii*) air surcharge on mails to non-participating countries. It is estimated that these, between them, will yield an annual revenue of Rs. 27 lakhs against an existing revenue of Rs. 21.25 lakhs. Savings to the extent of Rs. 6.1 lakhs will accrue on the discontinuance of the use of certain mail trains and the modification of contracts with shipping companies. The general finances of the scheme, therefore, show an improvement in revenue of Rs. 11.85 lakhs to meet the payment of Rs. 13.7 lakhs to His Majesty's Government, i.e., a deterioration of Rs. 1.85 lakhs in the first year. The expenses under this scheme will remain fixed, but it has been estimated from past experience that the volume of mails, and consequently the revenue, will be subject to an annual increment of 5 per cent., i.e., an increase of Rs. 1.35 lakhs a year. After providing for a corresponding increase of Rs. 0.25 lakhs in postal administration expenses, there is, therefore, on this account a net annual increase of revenue of Rs. 1.1 lakhs. It may be added that an annual increment of 5 per cent. is regarded in many quarters as a conservative estimate

in view of the stimulus to correspondence that will be given by increased frequencies, but even on that basis the scheme will, from the third year, become more profitable than the existing system, and during the 15-year period will result in an average *improvement* of the Posts and Telegraphs Department surplus on those postal operations by Rs. 5.85 lakhs (First year :—1.85 ; Fifteenth year : +13.55 : mean :—5.85).

All negotiations have been carried out jointly for India and Burma, but by the date of inauguration of the scheme (1st October 1937 proposed) Burma will be separated from India, and the Indian figures will be modified as set out below :—

The Burma mail is estimated to be about one-twelfth of the total. Burma will accordingly retain one-twelfth of the postal revenue of Rs. 27 lakhs. India's share will therefore be reduced by Rs. 2.25 lakhs to Rs. 24.75 lakhs against her corresponding share of the existing postal revenue of Rs. 19.48 lakhs, that is to say, India will have a revenue improvement of Rs. 5.27 lakhs. In addition, India's share of the savings will amount to Rs. 5.45 lakhs giving a total improvement of Rs. 10.72 lakhs to meet her expenses under the scheme.

Under the arrangements which have been agreed to by the Government of Burma, India's share of the payment to His Majesty's Government will be Rs. 12.36 lakhs, that is to say, there will be a deterioration of Rs. 1.84 lakhs in the first year. The annual betterment will be Rs. 1.0 lakh net, resulting in an average improvement of the Posts and Telegraphs surplus during the 15 years of the scheme of Rs. 5.16 lakhs per annum (1st year :—1.64 ; 15th year : +12.16 ; mean :—5.16). If however the Government of Burma agree to the Government of India's proposal that they should pay a larger share amounting to Rs. 1.5 lakhs, the deterioration in the first year will be Rs. 1.48 lakhs ; and the average annual improvement in the Posts and Telegraphs surplus during the period of the scheme will be Rs. 5.32 lakhs (1st year :—1.48 ; 15th year : +12.52 ; mean :—5.58).

His Majesty's Government have agreed as a measure of convenience to India to the payments being made to them on a sliding scale spread over the entire period of 15 years, which has the effect of approximating the budgetary position throughout to that of the mean year.

(b) In accordance with the terms under which the trans-India service is now being operated, all petrol and oil used on the service are exempt from payment of customs and excise duty. Under the Empire Air Mail Scheme these concessions will continue to be granted. Their value has been estimated at Rs. 3.22 lakhs during 1937-38 and Rs. 5.32 lakhs annually thereafter. The concession is one which all Empire countries which are participating are giving, and is necessary for the sake of uniformity ; and it has been taken into account in fixing the amount of direct subsidy.

(*c*) Under the conditions applicable to all regular services carrying mails in India, the aircraft used on such services are exempt from payment of housing and landing charges at Government aerodromes. The value of this concession, in so far as it relates to the trans-India services (2 landplanes and 3 seaplanes), is estimated during 1937-38 at Rs. 56,500 and at Rs. 1,00,000 annually thereafter. The landing fees accruing on the seaplane services will be the subject of special adjustment with His Majesty's Government.

(*d*) The landplane services under the Empire Air Mail scheme will operate along the existing trans-India air route and will whenever necessary, fly by night. This route is being organised suitably to cope with the changed conditions of operation, as part of the Civil Aviation Capital Works Programme.

As already indicated, the necessary capital (roughly about 8 lakhs) for the construction of seaplane bases will be advanced by the Government of India, but recovered from His Majesty's Government who have agreed that the ownership of the seaplane bases shall vest in the Government of India from the outset. The Government of India will be responsible for their maintenance, but all operating costs will be recoverable from His Majesty's Government.

(*e*) The expanded activities of Indian Trans-Continental Airways under the Empire Mail Scheme necessitate an increase in the capital of that company for purchase of new aircraft and equipment. It is anticipated that the capital of the company which is at present Rs. 10 lakhs will be increased to Rs. 32 lakhs. The present capital of the company is held by Imperial Airways, Ltd., Indian National Airways, Ltd., and Government of India in the ratio of 51 per cent. 25 per cent. and 24 per cent. and it is proposed that Government shall acquire 24 per cent. of the additional capital to be raised. This represents an ultimate liability of Rs. 50,28,000. It is not known definitely how much of the additional capital will be immediately called up, and it is not possible to make any definite provision in this connection. Necessary funds will be obtained as occasion arises.

A scheme of this kind could not be carried out or maintained without unity of conception and uniformity of policy. Nor could it be successfully launched without the goodwill and co-operation of the several Governments concerned, and there is no doubt at all that it gives to all the partners greater benefits than any of them could have achieved singly.

Feeder Services.

7. The payment to His Majesty's Government is intended to cover the carriage of all first class mail from India to other participating countries as well as surcharged air mails to non-participating countries, including the internal carriage by air of such of these mails as originate from or are destined for places situated on the main Empire route,

i.e., the trans-India route. It would detract from the usefulness of the scheme and would be a source of complaint if the rapidity of communication achieved on the England—India route were not extended to the users of the foreign post in all parts of India. In order that the full benefit of the Empire Air Mail scheme may be available to all parts of the country, and the field for Indian enterprise in civil aviation may be widened, Government came to the conclusion that the existing "feeder services" should also be developed to the same frequency as the England-India service. These feeder services are complementary to the main trans-continental service not merely in respect of mails but also in respect of the opportunities for training and experience of Indian personnel. A pilot cannot be given the command of a large transport aeroplane until he has graduated through the command of a smaller and less complex unit, and it is hoped to make arrangements for co-operation to this end between Indian Trans-Continental Airways and the feeder companies.

There are at present two feeder services operating in conjunction with the England-India Service, viz., the Karachi-Madras and Karachi-Lahore services. These are operated twice weekly by Tata Sons, Limited, and Indian National Airways, Limited, respectively. Both are Indian Companies and while the latter is a public company registered in India with a majority of Indian shareholders, the former is a well-known private concern. The Government of Ceylon having agreed to join in the scheme, it is proposed to extend the Karachi-Madras service to Colombo. Quotations to operate these services to the greater frequency involved under the Empire Air Mail Scheme have been obtained from the respective companies. The expansion of aviation activities which this step represents is indicated in the increase that will follow in the total annual mileage operated by India's internal air services from 454,000 miles to 1,332,000 miles. So far as the scope for the employment of Indian personnel in aviation in increasing numbers is concerned, though exact figures are not available, it is estimated that out of a total of about 135 technical and non-technical persons to be employed by Tata Sons, Limited, under the Empire Air Mail Scheme, about 130 will be Indians. The present figures are 35 and 32 respectively. Indian National Airways contemplate that their operational staff shall consist of a total of 11 of whom 8 will be Indians.

8. With regard to the payments to be made to the companies, it will be appreciated that the economic operation of the services requires a guaranteed payment in some form. Government have examined the estimates for the operation of the services furnished by the companies, and after careful consideration of alternative bases for payment have come to the conclusion that a guaranteed payment for mails up to an agreed weight limit and payment thereafter, on a poundage basis

is the most feasible. They, accordingly, proposed that Tata Sons be paid Rs. 13,00,000 for a mail weight of 500,000 lbs. per annum and Re. 1 per lb. of mail in excess of that weight for the Karachi—Colombo service. The corresponding figures in respect of Indian National Airways service are Rs. 3,25,000 for a guaranteed weight of 130,000 lbs. and Re. 1 per lb. for mail exceeding this weight. The payments will cover the carriage of all mails offered to the companies by Government including internal surcharged mails. The minimum weights are slightly in excess of those estimated to be offered on the inception of the Empire Air Mail Scheme. The present concession of free landing and housing facilities will, in addition, be continued.

A further explanation with regard to the payment to be made to Tata Sons is necessary in respect of Ceylon. Opportunity has been taken of the advent of the Empire Air Mail Scheme and of Ceylon's participation in it as an Empire country to provide for this extension as part of the development of the feeder services under the scheme. The payment to be made to Tata Sons by the Government of India takes into account the Ceylon extension but the cost of the carriage of Ceylon mails included therein will be recovered from the Ceylon Government. The Government of Ceylon have agreed to pay a sum of Rs. 4,50,000 for the carriage of 150,000 lbs. of mail a year, with an additional payment of Re. 1 per lb. in excess of this weight and the net payment by the Government of India to Messrs. Tata Sons, Limited, will be Rs. 10½ lakhs for the carriage of 350,000 lbs. of mail plus Re. 1 per lb. in excess.

PERSIAN GULF MAILS.

In April 1937, complaints were received by the Chamber in regard to the inconvenience caused to merchants by the lengthy time taken in the carriage of mails from Bombay to Iraq and the Persian Gulf. On enquiry the Committee ascertained that from the 1st April the Post Office had discontinued utilising the fast service of the British India Steam Navigation Company for the carriage of mails from Karachi to Busrah with the result that the letters from Bombay to Busrah were conveyed by the Fast Mail to Karachi and transferred there to the slow Gulf Steamer.

On taking the matter up with the Postal authorities the Committee were informed that in addition to the weekly slow Gulf mail service from Karachi to Busrah there were at the moment two direct Air mail services in a week for

those who desired special acceleration for their mails from Karachi to Busrah and in view of these considerations the fast Gulf mail service was discontinued from 1st April 1937.

Attention was also drawn to Clause 194 of the Post and Telegraph Guide which permitted documents to be sent by any of the British India Steam Navigation Company's fast steamers if the name of that steamer was superscribed on the postal article.

Clause 194 to which the Postal authorities referred reads as follows :—

"194. *Address.*—Correspondence intended for transmission by a ship, other than a mail ship, will be forwarded by that ship, only when the name of the ship is superscribed on it. Correspondence not so marked will be forwarded either by the regular mail ship utilised for mails for the country of destination or by any ship available if there is no regular steamer service for the conveyance of mails to that country."

As further complaints were received from merchants that letters superscribed for transmission by the fast Gulf Steamer were still being transhipped at Karachi to the slow Gulf Mail boat, the matter was again referred to the Postmaster-General who replied to the effect that enquiries made into the matter showed that some of the articles intended for despatch by the fast Gulf Steamer were superscribed in a general way as "for despatch per fast gulf service" without the name of steamer being mentioned as required by Clause 194 of the Post and Telegraph Guide and consequently they were despatched from Karachi by the slow Gulf Steamer. Those superscribed with the actual name of the ship were forwarded by that ship in accordance with the instructions given in Clause 194 of the Post and Telegraph Guide.

The Postmaster-General pointed out that it was necessary that articles for despatch by the fast Gulf Steamers should be superscribed with the *actual name* of the steamer to ensure their despatch by that steamer.

In the meantime the Committee again addressed the Director-General of Posts and Telegraphs in the matter and pointed out that while he had stated that the carrying of letters by fast mail between Karachi and Basrah had been discontinued because there were two air mails per week between Karachi and Basrah, it had not been explained why this action had been taken in the case of letters being carried between Karachi and Basrah only, although there were two air mails a week throughout the whole route from Bombay to Basrah.

The Deputy Director-General, Postal Services, advised the Chamber in reply that the Agreement with the British India Steam Navigation Company provided for two distinct services between Bombay and Basrah, viz. (1) between Bombay and Karachi and (2) between Karachi and Basrah. The fast mail service between Bombay and Karachi had to be retained for the present as the transmission of mails between the two ports by train was not sufficiently rapid. The question of the discontinuance of (1) was under consideration in connection with the introduction of the Empire Air Mail Scheme, when letters and postcards posted in Bombay for participating countries and *vice versa* would also be carried by air. The Deputy Director-General added that after the introduction of the Empire Air Mail Scheme it was not proposed to provide facilities for the transmission by surface route of letters and postcards superscribed for conveyance by a particular ship to countries participating in that Scheme. Any such superscription appearing on letters and postcards for participating countries would be ignored and they would be forwarded by air. This facility would, however, be continued in respect of *packets* for participating countries and for all kinds of correspondence for non-participating countries at the rates of postage and conditions mentioned in Clause 195, Post and Telegraph Guide.

AUSTRALIAN AND AFRICAN MAILS.

Delays in Delivery.

In March 1937 the Chamber received complaints from members in regard to the late delivery of the Australian and African Mails in Bombay and took the matter up with the Postmaster-General and the Presidency Postmaster. As a result arrangements were made for the more speedy disposal and delivery of the Australian Mails, and steps were also taken with a view to the more expeditious delivery of the African Mails.

In December 1937, however, a complaint was received from a member in regard to the delay which was still occurring in the delivery of mails from East Africa. In addressing the Presidency Postmaster on the subject the Committee drew attention to the inconvenience experienced by the public owing to their inability to obtain their African Mail, during the ordinary working hours on Saturday. An example was given in the case of the landing of the Mails ex S.S. "Kenya" which reached Bombay on the 11th December. This vessel arrived alongside No. 18 H. W. at 8.20 a.m. and all Mails were on shore by 9 a.m. and the postal lorry left for the General Post Office at 9-30 a.m. The Mails were not, however, available to the public until 1-15 p.m. From this it did not seem that the shipping company could do anything further in the matter of expediting delivery, and the Committee expressed a hope that the Post Office would be able to devise a method of speeding up the issue of the Mails after receipt thereof.

The Presidency Postmaster while admitting that the mails were received in the General Post Office between 9-30 a.m. and 10 a.m. said that it was practically impossible to deal with the large quantity of mail bags that were received during the short period of a little more than one hour, in order for them to be ready for delivery by 11 a.m. which was the hour fixed for the second delivery at the

Bombay General Post Office (the first delivery being at 8 a.m.) and they were therefore issued out by the next available delivery which was timed for 1 p.m.

As it was understood that under the Empire Air Mail scheme all first class mail from East Africa would come by air mail and there would be four mails a week. the Committee decided to take no further action in the matter.

CARRIAGE OF AIR MAILS IN WATERPROOF BAGS.

In September 1936 the Associated Chambers of Commerce of India in addressing the Director-General of Posts and Telegraphs in regard to the damage caused to air mails as a result of accidents to the flying boats expressed surprise that nothing had been done (1) to use labels for the bags containing air mails which would stand the action of sea water and which did not become detached from their bags unintentionally and (2) to institute waterproof bags for the carriage of such mails.

The Associated Chambers accordingly suggested that immediate instructions might be given for the institution of waterproof mail bags with waterproof and non-detachable labels for the carriage of mails by air. In replying to the the Associated Chambers the Deputy Director-General, Postal Services, intimated that the British Post Office, which was consulted in regard to the above suggestions, had stated that various suggestions had from time to time been brought to the notice of that Administration for the use of waterproof bags, fireproof bags, and other devices designed to protect air mail correspondence in the event of accidents to mail-carrying aeroplanes. The suggestions had received careful consideration, but the conclusion had been reached, that, in view not only of the extra initial and recurrent expense which the provision and maintenance of such devices would entail, but also of the increased cost of air conveyance due to the greater weight of such special bags, both of which factors would tend to raise the air postage

rates charged to the public, the adoption of measures of the kind would not be justified. The Director-General agreed in the conclusion arrived at by the British Post Office in the matter.

In addressing the Associated Chambers again on the subject, the Committee offered the following comments :—

The Committee considered that the Postal Administrations should regard it as part of their duty to do everything possible to prevent damage to mails in the event of accidents to the arircraft carrying them. In the absence of detailed information as to the reasons which led to the suggestion being turned down, the Committee were not satisfied that everthing possible had been done to find a practical solution to the problem and they considered that the postal authorities should be urged to give the matter further study. While admittedly there were difficulties the Committee believed they could to a large extent be surmounted in a practical manner. They were endeavouring to obtain information as to what suggestions and devices had been considered and rejected and for what reasons. Meantime certain considerations of a general nature suggested themselves.

The problem was twofold. To protect air mail (*a*) from fire, and (*b*) from water. The first appeared to be the most difficult as when an aeroplane caught fire it was usually a petrol fire of extreme intensity. Completely effective fireproofing of mail bags so as to render them impervious to any fire was probably impossible. But it might be possible to devise partial fireproofing which would at any rate protect the mails for a short while, sufficient to give time to get the bags out of the burning machine.

The waterproofing problem and particularly that of waterproof non-detachable labels seemed a simpler one. Here again it appeared unnecessary to aim at 100 per cent. and permanent effectiveness, as seemed to have been done. Even partly effective waterproofing would make all the difference between completely undecipherable letters and

letters which could at least be correctly delivered and read. The extra cost of using bags made of waterproof material was one that the Governments concerned should be prepared to bear. The extra cost of conveyance due to the extra weight of the bags should not be a heavy one, and the Committee thought air transport companies would be prepared to co-operate.

The Committee suggested that if other Chambers agreed the Director-General of Postal Services should be addressed again in the matter.

It was ascertained, however, that the majority of the Chambers were of opinion that no further action was called for. In again addressing the Associated Chambers on the subject the Committee stated that in view of the attitude taken up by the Postal Authorities they reluctantly agreed that no further action should be taken in the matter at the moment.

INDIA-AMERICA AND INDIA-SINGAPORE AIR MAIL SERVICES.

In March 1937 a member drew the attention of the Committee to a complaint by his New York office regarding the delay in air mails sent from India to America. The member also referred to the mails for Singapore and suggested that he should be allowed to use the K. L. M. services if there was delay to the Imperial Airways' planes.

In reply the Committee stated that there had admittedly been some irregularity in air mail running for some months past, due mainly, they understood, to the depletion of the Imperial Airways' fleet owing to planes being lost. The suggestion of the member however that use should be made of services other than Imperial Airways when the latter's planes were delayed, was not, in the opinion of the Committee, a practical one. It would not be an economic proposition at the moment for the Government to subsidise

more than one air service for the carrying of mails to and from India and there were in any case, obvious objections to Government contracting with foreign lines for the carriage of mails.

The Committee added that there was no doubt that delays, such as those complained of by the member were extremely annoying but the delays should be eliminated to a very great extent by the inauguration of the Empire Air Mail scheme which towards the end of the current year would provide for five services per week.

In regard to the delays in the Atlantic Services the Committee stated that they regretted they had no detailed information available. Transmission in England for the Atlantic crossing was in the hands of the British Postal Authorities and the Committee suggested that any enquiry or complaint should be addressed by the member to those authorities. The Committee believed that one reason for the apparently quicker Atlantic connection of surface mails than that of air mails was presumably that the former were directed straight to Cherbourg on their arrival at Marseilles, while the latter flew to London and were then re-directed to Plymouth or Southampton. Under the Empire Air Mail Scheme the mails would be flown to Southampton and not to London direct.

BUSINESS REPLY CARDS AND ENVELOPES.

(*See Reports* 1930, *Vol. I, page* 153; 1931, *Vol. I, page* 194.)

In July 1937 the Director-General of Posts and Telegraphs drew the attention of the Chamber to the fact that hitherto no standard design had been fixed by his department for business reply cards and envelopes; and consequently there had been absence of uniformity in the stationery adopted for use by the business public, in different postal circles in this country. It had been noticed also that in certain instances sufficient prominence had not been given to the indications on such stationery, with the result that handling in transit was not as quick as it should

be. It was proposed under the circumstances to fix a standard design for business reply cards and envelopes. In submitting a specimen design the Director-General asked for an expression of the views of the Chamber in the matter.

The Committee informed the Director-General that they were of opinion that the proposed standard design was entirely suitable.

The specimen design was placed at the disposal of members in the Chamber's Office.

INDIAN PORTS ACT, 1908.

RULES UNDER THE SANITARY CLAUSES.

(*See Reports*, 1927, *Vol. I*, *page* 188 ; 1933, *page* 264 ; 1936, *page* 176.)

In October 1937 the Principal Officer, Mercantile Marine Department, requested the views of the Chamber in regard to a draft amendment of Clause 3 of the Regulations issued under the provisions of Section 6 of the Indian Ports Act, 1908.

The draft amendment read as follows :—

In clause (*a*) of Sub-regulation 3 of Regulation I of the said Regulations—

I. after the words "Port Sudan and Durban," the words "including Madagascar" shall be inserted ;

II. after the words "infected vessel," the following shall be inserted, namely—

"provided that :—

(*i*) healthy ships arriving direct from Africa which have embarked neither passengers nor new members of the crew from any such port, and

(*ii*) healthy ships which have had no death nor any case of scheduled infectious disease on board during the voyage but which have embarked passengers or new members of the crew at any East African port between the aforesaid limits, and which, before arrival at the port of Bombay, have called at an intermediate British Indian port where they have not worked in quarantine but have been granted free *pratique*

by a recognised Port Health Officer after inspection of all persons on board, may, on production by the Master of a certificate to the above effect signed by himself in case (*i*) and by both himself and the Port Health Officer concerned in case (*ii*), be granted free *pratique* and be berthed without further reference to the Port Health Officer."

Regulation 3 (*a*) as in force at that time read as follows:—

"(3) (*a*) Every vessel which has come from the east coast of Africa within the limits of Port Sudan and Durban or from any other locality declared to be infected with sleeping sickness or jigger is a "suspected vessel" for the purpose of these regulations, unless during the voyage there has been one or more cases or suspected cases of either of these diseases on board when it will be considered an "infected vessel."

The Committee informed the Principal Officer, Mercantile Marine Department, that they considered the proposed amendments as satisfactory.

INDIAN MERCHANT SHIPPING ACT, 1923.

PROPOSED AMENDMENT.

On the 25th January 1937 a Bill was introduced in the Central Legislative Assembly the object of which was to make some necessary amendments of a formal nature in certain enactments and to repeal certain spent or useless matter in the Statute book. Among the various amendments proposed was one to amend Sections 155 and 176 of the Indian Merchant Shipping Act, XXI of 1923 as under:—

"In Section 155, after Clause (*e*) the following clause shall be inserted, namely:—

"(*ee*) In the case of a ship which is to carry more than one hundred unberthed passengers, that she has on board a medical officer licensed in the prescribed manner;"

"In Sub-section (3) of Section 176, for the word "steam," wherever it occurs, the word "machinery" shall be substituted."

It was stated that the amendments were intended to rectify an oversight and to remove provisions which had become unnecessary.

After consulting the Shipping and Export Sub-Committee the Committee telegraphed to the European Group in the Central Legislature that they considered that coastal vessels on voyages of less than seventy-two hours' duration should be exempted from the proposed amendment to Section 155 of the Indian Merchant Shipping Act. In addressing the European Group further in the matter the Committee pointed out that the suggested amendment would bring within the purview of the Act coastwise steamers which had hitherto been exempted from carrying a doctor. At a conference between shipping interests and Government when the provisions of the Act were framed the former were assured that there was no intention of compelling coastwise steamers on short voyages to carry doctors and the Committee considered that the proposed amendment was contrary to that declaration. They added that any coastal vessel that was on a voyage of not more than 72 hours' duration could very easily put into a port in the event of a doctor being urgently required, and that they were consequently of opinion that the amendment should be opposed.

In replying the European Group stated that the amendment objected to was a routine amendment which made no change of substance in the existing law. The European Group mentioned that Section 20 of the Indian Merchant Shipping (Second Amendment) Act, 1933, amended Section 184 of the Indian Merchant Shipping Act, 1923, so as to make a Medical Officer compulsory on all ships carrying more than 100 unberthed passengers (the original Section made it compulsory only in the cause of ships trading to the Red Sea from British India). When this amendment was made to Section 184, a consequential amendment should have been (but was not) made in Section 155 (*e*) so as to delete the reference to the Red Sea from that Section. It was proposed to rectify the omission through the Repealing and Amending Bill.

The European Group added that ships engaged on short voyages of less than 72 hours' duration would continue to be exempted from the provisions of Section 184 of the Indian Merchant Shipping Act by virtue of Government of India Notification No. 58-M I (2)/34 (2) of the 17th August 1935, which would still remain in force.

The Notification of the 17th August 1935 read as follows :—

"No. 58-M I (2)/34 (2)—In exercise of the powers conferred by Sub-section (1) of Section 148 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), the Governor-General in Council is pleased to exempt ships carrying more than one hundred unberthed passengers and engaged on short voyages of less than 72 hours' duration from Sub-section (1) of Section 184 of the said Act."

The Committee in again addressing the European Group in the matter pointed out that Notification No. 58-M I (2)/34 (2) of the 17th August 1935 exempted ships carrying more than 100 unberthed passengers and engaged on short voyages of less than 72 hours' duration from carrying a doctor, but with the proposed amendment of Section 155, the hands of the Mercantile Marine Officer, who issued Certificate B, would be tied, and unless a further notification was issued by Government he could not grant Certificate B, unless there was a doctor on Board. It was contended that Notification No. 58-M I (2)/34 (2) of the 17th August 1935 could not apply to an amendment of the Indian Merchant Shipping Act made subsequent to date of the Notification, and no assurance was given by the Government in the statement of objects and reasons appended to the Bill that the Notification would be made to apply. The Committee added that if such an assurance was received from Government prior to the Bill coming up for consideration they would have no objection to the amendment but if no such assurance was received they considered the amendment should be opposed.

The Chamber was informed subsequently that the following amendment had been tabled by the European Group :—

"That in the first schedule to the Bill in the proposed amendment to Section 155 of the Indian Merchant Shipping Act, 1923, after the words "unberthed passengers" the words "unless she is exempted from the provisions of Sub-section (1) of Section 184," be inserted."

This Clause of the Bill was, however, passed in its original form by both Houses of the Legislature. (Act XX of 1937).

POSITION OF BRITISH SHIPPING IN THE FAR EAST.

In March 1937 the Government of India informed the Chamber that the Imperial Shipping Committee, London, had been asked by His Majesty's Government in the United Kingdom to furnish a special report regarding the position of British shipping in the Middle and Far Eastern waters having regard to changing conditions of sea-borne trade in those waters and particularly to the increased competition of Foreign flags. The terms of reference to the Committee were as follows :—

"In view of the changing conditions in the sea-borne trade in the Middle Eastern and Far Eastern waters and particularly of the effect on British shipping of increased competition of Foreign flags, the Imperial Shipping Committee is requested to enquire into the position of British shipping in these waters."

The Government of India informed the Chamber that the Committee would be prepared to receive written memoranda from Indian shipping interests and also to hear Indian witnesses orally if any of them desired to appear before the Committee.

In forwarding to the Government of India copies of memoranda submitted by two shipping members of the Chamber the Committee stated that they had no direct information in their possession to indicate whether or not the Japanese Government had been granting assistance,

financial or otherwise, to Japanese shipping, but the Committee felt that it was only reasonable to infer that Japanese shipping could not have continued its uneconomic competition with British shipping but for the fact that it had received and was still receiving some such assistance from the Japanese Government. The Committee at the same time drew the attention of the Government of India and the Imperial Shipping Committee to the serious repercussions which the growing domination of Japanese shipping on the trade routes between India and Japan was having and was likely to have upon other British and Indian trading interests, particularly the cotton and textile trades.

In response to a further reference from the Government of India the Committee subsequently submitted summaries of opinions expressed on behalf of banking, insurance and cotton interests in Bombay as being the views of members connected with those interests and who were or might be affected by the existing position of British shipping in the Far East.

PORTS IN THE BOMBAY PRESIDENCY.

In April 1937 the Government of Bombay informed the Chamber's representative on the Board of Communications that they had under consideration the question of the appointment of a committee of officials and non-officials to enquire into the needs of the ports in the Kolaba, Ratnagiri and Kanara Districts. Dhollera port was also proposed to be included in the scope of the enquiry.

As members of the Chamber were greatly interested in the question of the development of ports in the Bombay Presidency the Committee informed the Government of Bombay that the Chamber would be glad to be represented on any Committee that might be appointed for the purpose of enquiring into the needs of those ports.

The Collector of Salt Revenue subsequently invited the Chamber to nominate a representative and the Committee submitted the name of Mr. W. O. A. Young.

The Chamber was, however, informed at a later date by the Government of Bombay that they did not consider it necessary to appoint a representative of the Chamber as an ordinary member to the Committee in question because the special nature of the enquiry at its early stages would not require his presence. Government added that they had directed that a representative of the Chamber should be co-opted when the final recommendations of the Committee were discussed.

DOCKS WHARFAGE RATES.

Revision.

In October 1936 the Trustees of the Port of Bombay appointed a Departmental Committee to report on the question of revising the Docks Wharfage Schedules by (a) extending Section II of the Docks Scale of Rates (West Coast Wharfage Schedule) to all Indian Ports, (b) converting Section I to a tonnage basis and (c) revising the transhipment and overside scales of charges. The report of the Departmental Committee was referred by the Trustees to a Special Committee. In submitting the draft revised Wharfage Schedules as approved by this Committee to the Chamber for opinion, the Port Trust stated that the proposed new scales had been fixed after taking the following factors into account.

(*a*) The economic cost of handling the goods.
(*b*) The existing wharfage rates.
(*c*) The capacity of the commodity to bear the charge.
(*d*) Development of indigenous industries.
(*e*) Port and rail competition.

The net estimated financial effect of the new Schedules applied to the traffic of the year 1935-36 was a decrease in revenue of Rs. 68,000.

The existing Coastal Schedule, Section II of the Docks Scale, was applicable only to Ports on the West Coast of India lying between and inclusive of Mangalore in the south and Karachi in the north. The proposed Coastwise Schedule

extended to all India (including Burma) and, with few exceptions, bore a fixed ratio to the "foreign" rates of two-thirds.

The question of providing separate Schedules for imports and exports had received careful consideration but it was decided that the advantages of adhering to past practice of a uniform scale for both out weighed any disadvantages. The Special Committee recommended however that the Chairman should be authorised, subject to confirmation by the Board, to grant by executive order a rebate not exceeding 20 per cent under the provisions of Section 43B(2) of the Bombay Port Trust Act, if such action was found necessary to prevent diversion.

The following were the principal features of the Revised Schedules, other than those already mentioned :—

(*a*) Classification of goods under main and sub-heads were discarded and the schedule considerably amplified to show the rates against each item so that it would serve as the schedule proper. This would simplify rating and eliminate misunderstandings in regard to classification, to which the existing schedules frequently gave rise.

(*b*) Charges per package had been generally substituted by charges per ton. The means employed in arriving at the tonnage rate had been test weighments and reference to invoices and to the Trade to ascertain the average number of packages going to a ton.

(*c*) The '*ad valorem*' basis had been retained and applied to a few extra items to which the 'weight' or 'package' basis had been found unsuitable.

(*d*) Following the almost universal practice, wharfage would be levied on gross instead of net weight.

Transhipment and overside charges would continue to be levied in accordance with Section VII of the Docks Scale of Rates, but extension of the coastal rates to all India and Burma and the abolition of "package" rates would automatically result in lower charges.

It was proposed to undertake a similar revision of the Bunders Scale of Rates after the Trustees had passed orders on the proposals in regard to the Docks Scale.

All members of the Chamber were asked for their views on the revised schedule and the replies received were referred to a special Sub-Committee consisting of Messrs. C. E. Leman, C. P. Bramble, C. J. Damala and A. J. Bebbington. A letter, based on the report of the Sub-Committee was, subsequently, addressed to the Port Trust in which it was stated that after a careful consideration of the various criticisms that had been received from members the Committee did not desire to offer comments in regard to most of the items as they realised that in eliminating the package rate and substituting a weight basis some slight adjustment either above or below the existing rates were inevitable. Further in certain cases where members had criticised some of the items, these criticisms had been discussed with the Dock Authorities who had taken them into consideration and were the Committee understood, recommending adjustments of the rates, *e.g.*, Item 1424 (Printing Paper) Rs. 3-6-0 per ton instead of 3 annas per cwt.; Item 523, Closets earthenware to be deleted so that all earthenware would be charged under Item 692; Item 992 (Horse Boxes) the existing rate to be retained. Several minor adjustments had also been favourably considered. The Committee had, in consequence, very few comments to offer in regard to the rates proposed in respect of individual items and their comments related more to questions of principle raised by members.

The Committee reminded the Trustees that Bombay had lost a considerable amount of trade to Kathiawar and Marmagoa during recent years and this was undoubtedly due to Bombay being a more expensive port. The Committee submitted, therefore, that the Trustees should utilize to the fullest possible extent such surplus revenue as might now be accruing to them, for the purpose of reducing the incidence of wharfage in order to regain the trade which

had been diverted to other ports and in particular to make an immediate reduction of the high rates levied on some articles. For instance, the Committee considered that the rates on the various classes of Oilseeds should be uniform, while in the case of Oilcake the burden of wharfage was very considerable. It would be generally agreed that one of the factors that must enter into consideration when fixing wharfage rates was the ability of the trade in the particular commodity to bear the charge so that the burden on the cheaper commodities would not be so heavy as that on the higher priced ones of approximately equal bulk. Yet in the case of Oilcake, which was sold at less than half the price per ton of the seed from which it was made, it had to bear a rate considerably higher than the rate on the seed. The following table showed the incidence of the wharfage on the then value of Groundnuts, Linseed, Castorseed and Oilcakes :—

Article.	Value of Bombay Delivery.		Wharfage.	
	Per cwt.	Per ton.	Per ton including surcharge at 8⅓ per cent.	On F.O.B. value.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Groundnut ..	8 4 0	165 0 0	1 10 0	1.0 per cent.
Linseed ..	8 2 0	162 8 0	1 3 6	0.7 per cent.
Castorseed ..	7 4 0	145 0 0	1 3 6	0.8 per cent.
Oilcake ..	....	60 0 0	2 0 6	3.3 per cent.

Ad Valorem Charges.—One of the points on which there had been a certain amount of criticism by members of the Chamber was in regard to the proposed continuance by the Port Trust of charging wharfage in certain instances on an *ad valorem* basis. It was contended for instance, by a member who was a large importer of electric meters, that the method of charging wharfage on such articles at a percentage of the value was unsatisfactory and unfair. The size and weight of the article did not bear any fixed relation to the price. A roughly made article would be

much cheaper than a well finished one and would pay less wharfage, although the amount of trouble in handling and storing at the Dock would be approximately the same if not greater. The percentage charge was the same for any size of consignment and was levied irrespective of whether articles were packed in cases of 10, 20, 50, 100, etc., although this affected the gross weight of the package. Also, if the price of the same article should vary during the year the wharfage charge would vary accordingly. The incidence of the charge resulted in many cases in the better finished British material paying a higher wharfage than the cheaper and perhaps heavier foreign material which was used for the same purpose. It was also contended that the existing charge in respect of these articles, *viz.* ⅜ per cent. was already too high and that an increase to ½ per cent. was not justified.

The Port Trust on the other hand contended that the *ad valorem* basis was most equitable in its incidence on commodities. This basis was introduced in the Wharfage Schedule in 1916 and "measurement" was largely discarded. The Port Trust also stated that there had been no previous complaints from the Trade that this basis was entirely wrong in principle. It was convenient from all points of view, took into account the capacity of a particular trade to bear the charge and in fixing the rate the Port Trust took into calculation the economic cost of handling, liability for safe custody, etc., etc.

An assessment based on value was undoubtedly very conveniently applicable in the case of most imported commodities, as the declared values were easily ascertainable from the importers' bills of entry and formed a simple and reliable basis for calculation. On the other hand, though wharfage rates should bear a closer relationship to the amount of work involved in handling the packages than on the value of the contents, the attendant risk and greater care necessary in handling and storing the more valuable cargo would possibly in some cases justify the

levy of a higher charge. On balance, the Committee were inclined to agree with the Port Trust that an *ad valorem* charge was equitable in the cases where it was proposed to levy wharfage on this basis but they considered that an all round increase from $\frac{3}{8}$ per cent. to $\frac{1}{2}$ per cent. was not justifiable and they urged that the *ad valorem* charge should be kept at least at its existing level.

Wharfage on transferred shut out cargo.—At the moment the Port Trust charged full wharfage rates for cargo brought into Dock and shut out. If such cargo was transferred to another shed (or ship) in the Docks by motor lorry no additional wharfage was leviable, but if the cargo was loaded into boats and transferred to another vessel an additional half-wharfage charge was levied. The Committee understood that the Port Trust claimed that if the cargo was put into boats they had no further control over it and it would be possible for the boat to be taken out of the dock and the cargo loaded into a steamer in the stream without the Port Trust being able to obtain any further wharfage. If it went by boat the Port Trust did not have to "care for the cargo" in the same way as they had to, if transported by lorry to another Port Trust shed. The Committee were unable to see any force whatsoever in the Port Trust argument and considered that whether the cargo was transferred from one shed to another by motor lorry or by boat to the steamer the wharfage should be the same, *i.e.*, only one wharfage charge should be made.

Transhipment Charges.—It was suggested that the Port Trust transhipment charges should form the subject of a separate enquiry. It was understood that some ports especially on the Continent of Europe and (locally) Port Okha, gave very special facilities, *e.g.* Okha authorities had introduced a flat rate for shipment, in order to establish, maintain or enhance their entrêpot character This consideration was particularly important in the case of Bombay to which Port it seemed essential to attract cargo for transhipment.

Bunder Rates.—It was essential that the Bunder Scale of Rates should have some proportionate relationship to Dock Rates. Particular reference in this connection was drawn to the fact that African cotton was usually landed at the Bunders, while Indian cotton was landed only at the Docks. With the existing higher rate at the Docks than at the Bunders, Indian cotton had to pay a higher wharfage than African cotton. The Committee considered that the former should be brought down to the level of the latter.

Coastal Traffic.—The revised wharfage rates for coastal traffic would result in a small increase in the case of certain cargo imported from and exported to West Coast Ports. The Committee recommended that the charges in respect of this trade should not be increased, as any increase, particularly in the case of imports, would encourage the diversion of traffic, *e.g.* cotton, to other ports.

Barrels, Empty. Item 177.—The proposed rates for empty barrels were equivalent to an increase of approximately one anna per light steel 40 I. G. barrel, two annas per heavy steel 40 I. G. barrel and three annas per 64 I. G. barrel. These were substantial increases and, as these packages were used very largely to carry oil to the Coast Ports and Kathiawar, and return to Bombay as "empties," and had in the case of light steel barrels, a relatively small second hand value, after paying freight expenses, clearing and wharfage charges, there was very often little to be gained by the return of such empties to Bombay, because they had quite a reasonable second hand value in up-country markets. It was pointed out that for this reason, if the wharfage on light steel barrels was unduly enhanced, it might seriously affect the shipments of these packages back to Bombay for refilling and the Port Trust would be the losers.

Furthermore, the Committee were of opinion that a weight basis for empty barrels was not nearly so simple to operate as a package rate and they suggested a flat rate

of one anna per package for barrels below 40 I. G. capacity and two annas per package for those of a capacity of over 40 I. G.

Asphalt, Item 120. *Bitumen, Item* 243.—Both these commodities were the same for trade purposes. It had been pointed out to the Committee that any differentiation between the wharfage rates for the two materials might tempt importers to declare both commodities as that carrying the lower wharfage rate and disputes might arise therefrom. The Committee recommended therefore that the rates for asphalt and bitumen should be made the same.

Asphalt Emulsions and Bitumen Emulsions were variations of Bitumen but did not appear to have been included as separate items. The Committee recommended their inclusion and suggested they should bear the same rate of wharfage as Asphalt and Bitumen.

Cotton Thread, Item 1917. *Cotton Crochet and Embroidery Thread, Item* 1918 *and Cotton and Art. Silk Yarn, Item* 2054—The Committee considered that the wharfage rates on these items as in the case of piecegoods and yarns should be on the per package basis.

Subsequently the Committee referred for the consideration of the Port Trustees a point that had been raised by a Banking member in regard to Items 893—Gold Coins and 1776—Silver, Bars, Coins and Ingots, of the revised schedule of Dock wharfage rates. The member stated that in his opinion the proposed increases in the charge on the above from Re. 1-2 per package to Rs. 2 per package were unreasonable. Bullion in the ordinary way was taken delivery of by importers direct from the vessel and in the same way exporters placed bullion direct on vessels. The Port Trust undertook no responsibility and merely provided the wharf across which the bullion was carried. The Committee pointed out that Bombay was at the moment the principal port for bullion imports and exports and it was feared that the proposed charges might in time tend to drive bullion shipments to other ports.

In August 1937, the Chamber was informed that the proposed schedule of docks wharfage rates had been modified by the Bombay Port Trust as far as feasible in the light of the suggestions put forward by this Chamber and by other commercial bodies, and that, subject to the sanction of the Central Government, the revised schedules would take effect from 1st January 1938.

In regard to the point raised by the Chamber concerning " shut out " cargo, the Chairman of the Port Trust concurred with the views of the Committee that there should be no discrimination in the wharfage charges on goods whether removed by land conveyance or by boat for shipment by a vessel berthed at another berth. The Docks Manager was directed to treat the operation of (*i*) loading into boats and (*ii*) shipment overside as one continuous transaction for which only one wharfage fee would be levied instead of 1½ wharfages as formerly.

With reference to the question of the rates of wharfage at the Docks and Bunders, the Port Trust pointed out that the Bunder rates bore a definite relationship to the Dock rates, being 8 annas and 12 annas per bale at the Docks for Indian and foreign cotton respectively and 2 annas (for coasting trade) and 3 annas per bale for foreign cotton respectively.

As the Port Trust did not determine whether a vessel should discharge her cargo at the Docks or Bunders but acted on the instructions of the steamer agent concerned, the Committee decided not to press the point.

The revised Docks Wharfage Rates came into force on 1st January 1938.

PROPOSED LEVY OF TOWN DUTY ON CERTAIN ARTICLES BY THE BOMBAY MUNICIPALITY.

(*See Report* 1936, *page* 192.)

Towards the end of June 1937 certain members of the Chamber interested in the manufacture of vegetable products

brought to the notice of the Chamber that the Law, Revenue and General Purposes Committee of the Bombay Municipal Corporation had submitted a report to the Corporation recommending that steps should be taken to amend Schedule H of the City of Bombay Municipal Act by adding thereto, among other commodities, two items :— viz. (*i*) Oilseeds and (*ii*) Vegetable Oil, on which it was recommended that town duty should be levied at 2 annas and 5 annas per cwt. respectively.

The Committee of the Chamber took the matter up immediately with the Chamber's representative in the Municipal Corporation and requested him to offer all possible opposition to the proposal.

The question was considered at several meetings of the Corporation and when it came up for discussion on the 12th July 1937 this Chamber's representative seconded an amendment to refer the whole question back to the Law, Revenue and General Purposes Committee of the Corporation for reconsideration, in consultation with the Commissioner, and for report in the light of the discussion that had taken place at the meeting. The amendment was lost and the matter was finally disposed of by the adoption of the Report of the Law, Revenue and General Purposes Committee with the exception of their recommendation to levy town duties on oilseeds and vegetable oil.

The position thus created was that the Corporation approved its Committee's proposals to levy new town duties as follows :—

Commodity.	Rs.	a.	p.	
Tea	0	0	6	per lb.
Coal	0	7	0	per ton.
Dates, dry	0	12	0	per cwt.
Dates, wet	0	8	0	,,
Cement	1	0	0	per ton.
Iron and Steel	2	8	0	,,
Paper:—				
(*a*) Newsprinting	0	5	0	per cwt.
(*b*) Paper for cards, etc. ..	1	0	0	,,
(*c*) Strawboards	0	3	0	,,

The Corporation's Committee, in the course of their report mentioned that it had been suggested that a town duty of 6 pies per gallon should be levied on petrol but it had been pointed out that petrol was already heavily taxed and the different taxes and fees on transport trade had particularly affected Bus and Taxi service. It was thereupon suggested that instead of levying town duty on petrol at 6 pies per gallon the Commissioner be requested to consider the feasibility and advisability of levying town duty on (*i*) toddy or country liquor imported into the city, (*ii*) tinned provisions imported from abroad and (*iii*) foreign cigarettes. It was added that on receipt of a report from the Commissioner the Committee would submit a further report to the Corporation in the matter. The latter suggestions were not however accepted and petrol was retained.

In the meantime the Chamber's representative in the Municipal Corporation gave notice that he would move the following proposition :—

"This Corporation is of opinion that bodies representative of the commercial interests concerned should be consulted by the Commissioner and Committees of the Corporation when questions of taxation or legislation affecting those interests are under consideration, and before submitting their reports on such questions to the Corporation."

The motion was moved on the 12th August 1937, but was ruled out of order on the ground that while it was open to the Committees of the Corporation or the Commissioner to consult if necessary informally any outside institutions, the Corporation could not make it binding on them to do so.

Subsequently representations were received from several members protesting against the proposed imposition of town duties on coal at 7 annas per ton and iron and steel at Rs. 2-8-0 per ton and in forwarding copies of the representations to the European Group, Bombay Provincial Legislature, the Committee requested the Group to raise all possible opposition when the question came up for discussion in the Legislative Assembly. The Committee stated that in preparing a case they considered that the main argument

should be based on the fact that the Municipality should not have the right to levy additional taxes on commodities except in terms of the services which they gave to the inhabitants and property owners of the City and that the taxing of commodities was properly the function of the Central Government and to a lesser extent of the Provincial Governments.

The Committee added that it had been suggested by certain members who had addressed the Chamber that the taxation on coal would be unfair discrimination unless applied also to electricity and oil, but it was the contention of the Committee that taxation on all commodities which governed the question of provision of power must harmfully affect trade in general.

In September 1937 the Government of Bombay asked for the views of the Chamber on the proposals of the Bombay Municipality. The Committee referred the papers to a special Sub-Committee consisting of Messrs. L. A. Halsall, F. H. French and W. T. Lane for consideration and report and in the meantime circularised members interested and requested them to submit their views on the proposals.

On receipt of these views the Committee pointed out to the Government of Bombay that the proposals affected many of the members of this Chamber all of whom were strongly opposed not only to the suggested increases in the rates of duty but to town duties generally as a basis of taxation at the present day. The Committee did not refer to the detailed objections put forward by those interested in the different commodities it was proposed to tax, as they felt that such strong arguments could be put forward against the general principle of town duties in a Port such as Bombay that there should certainly be no question of increasing the present rates or of subjecting other commodities to the tax.

The Committee in the first place invited Government's attention to the comparison made by the Municipal Commissioner in his letter to the Corporation of the percentage

which the revenue from Town Duties in the years 1888-1901, 1912-13, 1920-21, and 1933-34 bore to the total revenues of the Municipality. The Commissioner stated that the present proposals were intended to bring the revenue from town duties nearer to the place it previously held in municipal finance. The Committee stated that they could not see that there was any good reason for such an object. Far from justifying an increase in town duties they considered that the fact that the increase in revenue under other heads had increased to the extent it had, provided a good reason for reducing the rates of town duty.

The Committee pointed out that in many countries, France being a notable example, it had been realised in recent years that this form of taxation was out of date and injurious to trade and business and such duties had been abolished. In the opinion of the Committee this argument applied with even greater force to a Port such as Bombay, the prosperity of which was so largely dependent on its entrêpot trade. Not only were town duties a restriction on such trade but the Committee considered that they were a form of taxation which should not properly come within the scope of the Municipality at all. The only legitimate source of municipal revenue should be a charge for amenities provided for the inhabitants, and certainly not the direct taxation of commodities. Those engaged in trade or business in Bombay already contributed through many channels to the revenue of the Municipality, and in the opinion of the Committee it was inequitable and contrary to sound economic principles that they should be subjected to a further impost in the form of a specific duty on the commodities which they bought and sold. The Committee stated that not only were they strongly opposed to any enhancement of the rates of town duty and to the proposal to enlarge the list of commodities subject to such duty but they considered that this out-of-date form of taxation should be wholly abolished at the earliest possible date. They were of opinion that undoubtedly the most equitable

form of municipal taxation was that on property to which all citizens both landlords and tenants contributed in varying degree.

The Committee brought to the notice of Government that the rates of general property tax in force and the revenue collected in recent years were as follows :—

1933-34	12%	Rs. 1,22,45,281
1934-35	12%	,, 1,33,68,984
1935-36	12%	,, 1,28,88,990
1936-37	11½%	,, 1,43,29,744

In the year 1936 the general tax was reduced (in the opinion of many, unwisely) from 12% to 11½%. Even at the reduced rate the increase in revenue in 1936-37 amounted to Rs. 14.41 lakhs, and at 12% the increase in yield from this tax alone would exceed the estimated increase from the new town duty proposals.

The Committee further drew Government's attention to the fact that there was still no check to the pronounced building activity in Bombay and there was every reason to assume a further substantial increase in the revenues under this head ; still more so if the proposal of the Municipal Commissioner to restore this tax to 12% had been accepted. The Committee noted with regret that the Standing Committee of the Corporation recently rejected the proposal.

Quite apart from the restrictive effect of town duties on trade, there was the equally important problem of diversion of trade from Bombay to ports at which the charges on goods were not so heavy. When any further taxes on trade were proposed it was frequently argued that the incidence of such taxes would not be so heavy as to cause any hardship, but it must be remembered that Bombay was already subjected to heavy taxation, and the Committee were of opinion that the stage had been reached at which any further increase of taxation on articles of commerce would only defeat its own object in that the volume of trade would shrink and there would be further diversion to less expensive centres of distribution.

The Committee considered that even the existing town duties acted as a brake on commercial and industrial development in this City. The formalities attendant on obtaining a refund of town duty on goods exported outside the city limits were cumbersome and irritating, and in respect of a number of the commodities it was proposed to tax, there seemed little likelihood of refunds being obtainable, owing to the difficulties of identifying them in relation to their date of import.

Finally the Committee expressed an earnest hope that on full consideration of all the facts of the case Government would not accord their sanction to the proposals of the Municipal Corporation of Bombay.

All the papers and other matters including the various representations from the firms affected were transmitted to the European Group, Bombay Legislature, with a request that the Group would press these views when and if the question came up for discussion in the Legislative Assembly.

PROPOSED MUNICIPAL TAX ON INCORPORATED COMPANIES.

In August 1937 the Retrenchment and Reforms Enquiry Committee of the Bombay Municipal Corporation recommended that a tax should be levied on incorporated companies transacting business in Bombay on a basis on which such a tax was levied in Calcutta by the Calcutta Corporation and that the Corporation should request Government to approve of the proposal and to undertake legislation in this behalf.

The Indian Merchants' Chamber in opposing the levy of the tax pointed out that the prosperity of the City and of the Corporation largely depended on the prosperity of the business and mercantile community of the city; that a substantial portion of the revenue accruing to the Corporation was levied, directly or indirectly, from sources connected with the business community; that over and above

the various taxes such as wheel tax, licence fees, town duties, fire tax, etc. a large portion of other revenue resources such as service taxes and property tax was contributed by interests representing trade and industry and that an incorporated company although a separate legal entity was composed of its shareholders who contributed towards the Municipal revenues in various forms; that the trade and commerce both of the country and the City were not in a prosperous condition and that the business interests were still smarting under the effects of the depression which began in 1929; that under the existing circumstances the imposition of additional burdens on trade and industry of the City would be instrumental in accelerating the diversion of trade from Bombay; that the incidence of Municipal taxation in Bombay was higher than that in Madras and Calcutta. The Indian Merchants' Chamber cited figures to show that the burden of Municipal taxation had increased tremendously in recent years and added that it was becoming oppressive year by year; that the greatest need of the moment was a sustained effort to curtail Municipal expenditure, particularly on administration and not to impose fresh burdens on the already overtaxed citizens. Under the circumstances mentioned above the Indian Merchants Chamber requested the Corporation to abandon the idea of levying a tax on incorporated companies transacting business within the City.

In addressing the Mayor of Bombay in the matter the Committee stated that they endorsed and supported all the views expressed by the Indian Merchants' Chamber and that in view of the cogent arguments advanced by the latter they trusted that the Corporation would give the matter further consideration before approaching the Bombay Government for the necessary legislative measures.

The Municipal Corporation, however, approved the proposal and addressed the Government of Bombay accordingly.

The Government of Bombay in reply informed the Corporation that the proposal which would amount to a tax on the capital of companies, would fall under Entry No. 55 of the Federal Legislative List in the Seventh Schedule to the Government of India Act, 1935. Under Section 100(1) of the Government of India Act, the Federal Legislature only had the power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule to the Act. Government were advised that the Provincial Legislature would have no power to legislate regarding the levy of taxes on the capital of companies as proposed by the Corporation. In the circumstances Government regretted that they could not accede to the request of the Corporation.

LASCAR AGREEMENTS.

Proposed Extension of Basic Period.

In July 1937 the Shipping Master, Bombay, invited the attention of the Chamber to the fact that representations had been made by the various shipping interests to the Government of India during recent years on the subject of an extension of the basic period of Lascar Articles of Agreement beyond the existing period of 12 months. The Shipping Master stated that Government was provisionally of the opinion that an extension of the existing optional clause of 6 months on a 25 per cent. increase of wages to twelve months with the 25 per cent. increases in wages payable throughout the 12 months, making an Agreement for a total period of two years, would meet the requirements of shipowners. The Shipping Master asked for the views of the Chamber on the proposal.

After consulting the Shipping and Export Sub-Committee the Committee informed the Shipping Master that they saw no objection to the proposal.

PROMOTION OF SEAMEN'S WELFARE IN PORTS.

In August 1937 the Shipping Master, Bombay, asked for the views of the Chamber on a draft recommendation concerning the promotion of seamen's welfare in ports which was adopted by the 21st (Maritime) Session of the International Labour Conference held at Geneva in October 1936.

After consulting the Labour Sub-Committee the Committee informed the Shipping Master that while they sympathised with the objectives which the recommendation had in view they were of opinion that the Port Trust would be a more competent body to report upon their practicability as applicable to the Port of Bombay.

ANNUAL HOLIDAYS WITH PAY FOR SEAMEN.

DRAFT CONVENTION.

(*See Report* 1936, *page* 202.)

In June 1937 the Shipping Master, Bombay, asked for the views of the Chamber in regard to the draft Convention (No 54) concerning annual holidays with pay for seamen, which was adopted by the 21st (Maritime) Session of the International Labour Conference, held at Geneva in October 1936.

The Committee informed the Shipping Master that the Chamber had already expressed its views on the subject when it came up for consideration in April 1936 with reference to the Report of the preparatory maritime meeting held at Geneva in November-December 1935. The paragraph of the Chamber's letter particularly pertaining to the question of annual holidays with pay for seamen was as follows:—

"Leave with pay to seamen would entail a complete reorganisation of the system of engagement and the inherent possibilities of abuse are so great that my Committee consider it would be better to abandon the proposal altogether. Officers and engineers are already provided for in most lines and in any case their Associations can deal with points affecting their interests. The case of a subordinate rating is different. In the majority of cases his service with a steamer

or line is not continuous and on discharge he seeks employment with the first steamer requiring hands. Presumably if he were entitled to leave he could not sign on again with the same line until his leave period had expired. This might result in his having to wait a long time for another ship. Alternatively he might sign on at once in another vessel and the purpose of the leave would be lost. In the latter case leave pay would only be an increase in wages, which in the present parlous state of British shipping cannot be justified; in fact it might prove to be suicidal. If it resulted in further handicapping the shipowner in world competition the only sequel would be increased unemployment."

The Committee added that their views as set out in the above paragraph remained the same.

HOLIDAYS WITH PAY FOR INDUSTRIAL WORKERS.

(*See Report* 1935, *page* 201.)

In July 1937 the Commissioner of Labour, Bombay, forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to all Provincial Governments and Administrations forwarding a copy of the Draft Convention and of the Recommendation concerning annual holidays with pay which were adopted by the International Labour Conference at its Twentieth Session in June 1936. The Government of India, who had the support of the Indian Legislature in this course, did not propose to ratify the Convention, because they believed that the statutory application of its other provisions to all the establishments mentioned in Article I was administratively impracticable in existing circumstances.

The Government of India drew attention to the correspondence on the subject of the grant of annual holidays with pay which they had with Provincial Governments in 1935 in connection with the first discussion of the question at the Nineteenth Session of the International Labour Conference and added that the majority of the Provincial Governments were at that time opposed to statutory holidays with pay in industry, while those who favoured the principle only contemplated advance by very cautious steps.

Although they were satisfied that no comprehensive measure could be considered in existing circumstances, the Government of India believed that the general principle of holidays with pay was a sound one, and it was securing increasing recognition in labour legislation in other countries. In India workers in most Government establishments and in some private ones received paid holidays on a scale which was ordinarly more generous than the minimum scale required by Article 2 of the Convention, and the systems already in force should not be incapable of a wider extension or adaptation. The Government of India asked for the views of Provincial Governments on the question and in particular desired to know whether they considered any central legislation on this subject was desirable.

In this connection the Government of India suggested that special consideration should be given to the case of those workers in factories who on account of being employed on continuous processes or for other reasons, had to be deprived by exemptions of the benefits of Section 35 of the Factories Act relating to the weekly holiday. Most provinces in giving such exemption insisted on fortnightly holidays but even when this condition was imposed, the worker lost at least two rest-days in every month. The Government of India were inclined to the view that a statutory provision in the Factories Act for a limited number of pay holidays in such cases would be reasonable and practicable. This would ensure to the worker the opportunity of recuperation which his more continuous work rendered necessary, and would afford, in a particularly appropriate form, compensation for the deprivation of the regular rest-day.

The Commissioner of Labour asked for the views of the Chamber on the points raised by the Government of India irrespective of the views held on the general question whether or not holidays with pay should be given.

After consulting the Labour Sub-Committee the Committee informed the Commissioner of Labour that, whilst generally agreeing with the principle of holidays with pay

for workmen, they were not in favour of provision being made for such holidays at this juncture by legislation and moreover they did not consider such a proposition to be practicable in the Bombay Presidency under existing conditions.

SICK LEAVE AND HOLIDAYS WITH PAY FOR INDUSTRIAL WORKERS.

At the end of October 1937 a letter was received from the Commissioner of Labour referring to a *communique* issued by the Government of Bombay explaining their policy in respect of the industrial worker (copy is attached in the Appendix), wherein it was stated that for the protection of the industrial population Government visualised the development of a comprehensive system of social insurance but in the absence of the requisite statistical and actuarial material for the purpose, Government were considering the feasibility of enacting legislation for leave with pay during periods of sickness, and they hoped that the action taken in this direction would pave the way for a scheme of sickness insurance. In this letter Government propounded a rough scheme to achieve this end and the views of the Chamber were solicited either on this scheme or on any alternative method.

After examination by the Labour Sub-Committee, the General Committee decided to collaborate and consult with the Millowners' Association, the Indian Merchants' Chamber and the Ahmedabad Millowners' Association who had received a similar communication from Government, and following on conversation with these bodies a reply was addressed to the Labour Commissioner, a copy of which is also attached in the Appendix.

LAY-OFF OF LABOUR.

In December 1937 a member asked for the views of the Chamber on the question of the lay-off of labour in large works manufacturing a variety of products and

pointed out that occasions had arisen, where it had been found necessary to close down a part or parts of the works, either for reasons beyond their control such as accident to the plant or for repairs or for trade reasons such as shortage of orders, etc. The Chamber was advised that hitherto the practice had been to offer suitable work in other departments to some of the employees and to send on leave those to whom leave was due. There was generally, however, a residue of employees who had to be laid-off for periods which might vary from a day to a month or more. Notice was given in such cases, but no wages were paid for the days on which no work was done.

In large works manufacturing a variety of products the necessity for laying-off workmen for short periods in some branches would inevitably arise, but doubts had recently been raised as to the legality of the procedure in view of the Payment of Wages Act, especially when there was no provision in the contract of service which gave the company the right to lay-off employees in this manner.

After consulting the Labour Sub-Committee the Committee replied to the effect that in their opinion, monthly rated and monthly paid labour was entitled to a month's notice in exactly the same way as other monthly rated and monthly paid employees. The Committee considered that daily rated labour paid at periods provided for under the Payment of Wages Act could be laid-off without notice and without liability from day to day.

The Committee added that from the information they had received from members it appeared there was a general practice for daily rated labour to be kept on a roll and given work only at such time as they could usefully be employed. The general system seemed to be that there were a number of daily rated men who had regular work year in and year out, whilst others came into the factory each day and were told whether they were required or when they would next be required. Many of these daily rated men went to their homes up-country from time to time for

considerable periods, and they were frequently given tickets by their employers to the effect that if they reported within a specified period they would be reinstated on the employment roll of daily rated labour.

WORKMEN'S COMPENSATION ACT, 1923.

Proposed Amendment.

In January 1937 the Commissioner of Labour asked for the views of the Chamber on a draft Bill which had been submitted by the Government of India, the object of which was to amend the Workmen's Compensation Act with a view to removing certain minor defects and difficulties which had been brought to light by the rulings of the High Court in India or by experience of the working of the Act.

After consulting the Labour Sub-Committee, the Committee informed the Commissioner of Labour that in their opinion there was nothing objectionable in the amendments proposed to be made by the Bill in the Workmen's Compensation Act, 1923.

On the 23rd August 1937, a further Bill was introduced in the Legislative Assembly for the purpose of again amending the Workmen's Compensation Act, 1923.

In the statement of objects and reasons appended to this Bill it was mentioned that Provincial Governments had been requested to give wide publicity and to invite opinions on the previous Bill. The views received by the Government of India were generally favourable, but certain modifications had been made to meet criticisms received, and one of the proposals originally made had been omitted as it formed the subject of a separate Act which was passed during the last Delhi (1937) Session of the Indian Legislature.

The Committee approved the revised draft of the Bill.

WORKMEN'S COMPENSATION ACT, 1923.

PAYMENT OF COMPENSATION TO PERSONS RESIDING ABROAD.

In February 1937 a Bill was introduced in the Legislative Assembly further to amend the Workmen's Compensation Act, 1923. Section 35 of the Workmen's Compensation Act, 1923 (VIII of 1923) enabled rules to be made for the transfer of sums paid to Commissioners in India as compensation for the benefit of persons abroad or paid to authorities abroad as compensation for persons in India. But it did not provide for the transfer of distribution proceedings when the employer did not object and the dependents were in another country than the one in which the compensation was deposited. The amendment was designed to make this possible, and was required, in the first instance, to provide for transfers between Burma and India after separation. At the moment, distribution proceedings could be transferred from Burma to Provinces in India and *vice versa* under Section 21 (2) of the Act; but this would cease to be applicable when Burma became a separate country.

The Committee had no objection to the amendments.

The Bill was passed by both Houses of the Legislature and received the assent of the Governor-General on the 4th March 1937 (Act VII of 1937).

TRADE UNIONS.

PROPOSED COMPULSORY REGISTRATION.

(*See Report* 1936, *pages* 214 ; 313.)

It was recorded in the Chamber's Report for 1936 that the Committee in replying to a reference from the Associated Chambers of Commerce of India in connection with certain suggestions of the European Group in the Central Legislature for the amendment of the Trade Unions Act, 1926, and the Trade Disputes Act, 1929, had stated, *inter alia*, that they agreed with the recommendation of

the Bengal Chamber that registration of Trade Unions should be compulsory. After further consultation with the Labour Sub-Committee of the Chamber and an informal discussion with the Commissioner of Labour, Bombay, the Committee informed the Associated Chambers that while on the whole they were still inclined to favour compulsory legislation they would prefer to leave it to the European Group at the Centre to deal with the matter as they thought best and not to press for compulsory registration if the Group were of opinion that more harm than good would be done by doing so.

ENCOURAGEMENT OF TRADE UNIONS.

In September 1937 a letter was received from the Commissioner of Labour, Bombay, outlining the Government of Bombay's policy as regards trade unions (attached in the Appendix). In this it was stated that Government were anxious to assist in removing hindrances in the growth of labour organisations and to promote collective bargaining between the employers and the employees, and the Chamber's views were solicited as to the conditions under which members would be prepared to give recognition to trade unions of employees and what such recognition would connote. After consulting the Labour Sub-Committee, the Committee decided to offer collaboration with the Millowners' Association, the Indian Merchants' Chamber and the Ahmedabad Millowners' Association, all of whom had received a similar letter from the Labour Commissioner, in order to reach agreement on the terms of the reply to be sent. As a result of a joint meeting a reply was addressed by the Chamber to the Labour Commissioner on the 13th of October, 1937, setting out the views of the Chamber. (This reply is also attached in the Appendix.) The other three associations submitted their replies on very similar lines and it was decided to request the Hon'ble the Prime Minister to receive a joint deputation on this matter. This request was acceded to on the 21st of October 1937, as a

result of which the Committee addressed a second letter to the Labour Commissioner under date of the 11th of November further outlining the Chamber's points of view. This is also attached in the Appendix to the Report.

TRADE DISPUTES (AMENDMENT) BILL.

(*See Reports*, 1921, *Vol. I*, *page* 67 ; 1924, *Vol. I*, *page* 97 ; 1925, *Vol. I*, *page* 101 ; 1926, *Vol. I*, *page* 65 ; 1928, *Vol. I*, *page* 104 ; 1929, *Vol. I*, *page* 90 ; 1932, *page* 254 ; 1933, *page* 286 ; 1934, *page* 243, *and* 1936, *page* 208.)

In March 1937 the Hon'ble Mr. R. H. Parker, the Chamber's representative in the Council of State brought to the notice of the Chamber that the Government of Bombay in commenting on the Trade Disputes (Amendment) Bill had stated that the Bill, as drafted, suffered from the defect of endeavouring to combine in one measure two functions, the protection of the public against strikes, i.e., the illegal strike, and the protection of the striker against himself, i.e., the investigation of his grievance in the hope that he will go back to work. The Government of Bombay considered that these two functions were best kept separate, although a study of the legislation of other countries showed that both might be important. In Great Britain for example, conciliation machinery of a most elaborate character existed, largely voluntary, and the only strike that was illegal was the political strike that had no real connection with the economic grievances of labour. In other countries the right to strike was suspended while detailed conciliation machinery was in operation. The right was not taken away but must be held in abeyance in the hope that the working of conciliation machinery would make a strike unnecessary.

In the opinion of the Governor in Council the right method of approach to the problem of the prevention and settlement of industrial disputes was primarily by conciliation. The appointment of conciliation officers was permitted

by the Bill and was therefore a step in the right direction but the Governor in Council pointed out that the effectiveness of the legislation would depend to a large extent on the Rules framed under Section 19 (1) of the Act. It was therefore essential that such rules should establish really satisfactory machinery and clearly define the powers to be exercised and the procedure to be followed throughout.

After careful consideration, the Governor in Council was of opinion that Clause 8 of the Bill should be deleted and Section 16 of the Act left as it was. There should, however, be added a clause dealing with unlawful picketing. Such a clause could, in the opinion of the Governor in Council, be rightly added to a Statute dealing with illegal strikes, because it dealt with the unlawful aspect of the conduct of strikes. If it were admitted that the right to strike was a fundamental right of labour, the right to work must also be admitted and the man who wanted to work even against the wishes of his fellow-workers should be protected against intimidation of himself or of his family. Section 16 of the Bombay Trade Disputes Conciliation Act of 1934 provided a form of words which *mutatis mutandis* could be incorporated in the Trade Disputes Act. A provision of this kind appeared in the British Trade Disputes Act of 1927 and if so highly industrialised a country, with the strongest and most efficient trade union organisation in the world and with extensive conciliation machinery, found it necessary to make provision against unlawful picketing, India must surely be justified in making a similar provision.

In addressing the European Group in the Central Legislature on the subject, the Committee stated that they were inclined to agree with the Government of Bombay that it would not be possible to remedy merely by amendments the overwhelming defects in the Bill and they suggested that the European Group should press on the Government of India the necessity for withdrawing the

proposed Bill and requesting them to introduce one (or more) fresh Bills on the alternative line of approach recommended by the Government of Bombay.

LABOUR TROUBLE AND PUBLIC UTILITY COMPANIES.

In March 1937 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion of the Upper India Chamber that in view of the recent Bengal Nagpur Railway strike and the possibility of future strikes an endeavour should be made to introduce a Bill for compulsory arbitration in all cases where a public utility company was affected by labour trouble such as strikes.

After consulting the Labour Sub-Committee of the Chamber the Committee informed the Associated Chambers that they considered that the suggestions already put forward by this Chamber for the amendment of the Act would meet the case. (See page 208 of the Chamber's Report for 1936.)

The Associated Chambers of Commerce of India subsequently informed this Chamber that as the majority of the constituent Chambers were not in favour of action being taken by the Association on the lines suggested by the Upper India Chamber the President had decided against taking action.

MIDDLE-CLASS UNEMPLOYMENT.

Statistics.

In June 1937, the Director of Industries asked for the views of the Chamber on certain proposals that had been put forward by the Government of India to all Provincial Governments on the subject of collecting statistics bearing on middle-class unemployment. The Government of India stated that the importance and urgency of the problem were generally recognised and they believed that the collection

of available facts bearing on it would be a valuable contribution towards the adoption of remedial measures and would be welcomed by public opinion. There had, indeed, been frequent demands for the collection of statistical material, but these had generally been for the direct collection of statistics of educated unemployed persons. While sympathising with the desire to secure such statistics, the Government of India were convinced that in the absence of a scheme of unemployment insurance or of some other substantial inducement to the unemployed to register, whether relating to the educated unemployed or other classes of unemployed, no reliable statistics of this character could be collected. Few would take the trouble to make a return unless they had a direct interest in doing so, and the attempts made at the last census, and subsequently in one or two provinces, in this direction, yielded no results of value. The collection of statistics of unemployment in other countries confirmed the conclusion that this direct form of attack would be entirely infructuous in India. The only possible exception was the collection of particulars for very limited classes, e.g., alumni of Universities, by persons or authorities such as a college provided, having some more or less personal contact with them ; and the Government of India understood that in some Universities an effort was being made to pursue this method.

The Government of India considered that if more comprehensive statistical material was to be secured, a different method must be pursued and in their opinion the most hopeful line was to collect statistics of employment rather than unemployment. Thus it should be possible to collect particulars of the numbers of men with specified educational qualifications who had found employment in various spheres, and particularly in industry and commerce.

If reliable material of this character could be collected, it would be of distinct value. In the first place it would furnish a basis for estimating the needs of the various industries and commercial concerns for qualified men, with

different types of technical qualifications, with a view to better correlation of supply and demand. In the second place, the statistics would make it possible to form a general estimate of the potentialities of absorption offered by industry and commerce, for educated young men, whether their qualifications were technical or general, and thus to reach a position where the probable effects of different possible policies on unemployment could be gauged. In the third place, the statistics would help to meet the public need and demand for statistical material bearing on this subject, and would enable the subject to be viewed in the light of facts rather than conjectures.

The Government of India considered that, in order to secure reliable statistics, legislation would be necessary. For while many employers would doubtless be willing to supply the particulars on a voluntary basis, others would fail to do so, and the value of the results would depend on the completeness of the returns in the branches of employment selected. Further it would seem to be preferable that this legislation should preferably be central rather than provincial so as to ensure uniformity and avoid provincial variations both in the form and in the method of conducting an inquiry. The type of legislation which the Government of India envisaged was simple. It would enable prescribed authorities to require such employers as might be prescribed to furnish certain particulars regarding the qualifications, educational or technical, of persons or certain classes of persons employed or recently employed by them and would provide a penalty for non-compliance.

While the legislation would be in general terms, the Government of India did not contemplate any large scale simultaneous inquiry. In the first instance, it would probably be desirable to restrict the inquiry to organised industry (i.e., regulated factories, mines, and railways) both because such industry presented less difficulty from the point of view of collection of information and also because the information obtained was likely to be of more value for

the immediate purpose in view. Thus employers in these establishments might be asked to state the number of posts in each establishment carrying more than a specified minimum pay, and to furnish certain particulars of the educational or other qualifications of the incumbents of these posts. In most cases, it would probably be necessary for the employer to supply particulars of only a small proportion of his appointments and of his employees. For example a factory owner might be asked to state the number of posts carrying more than Rs. 50 a month and to give the number of graduates of various types, and possibly of matriculates filling these or other posts. If this inquiry yielded satisfactory results, it would be possible to extend the investigations thereafter to various commercial occupations and possibly less organized forms of employment.

In the event of the necessary legislation being passed, the Government of India would be prepared to supply forms and to compile the final statistics, but they asked the provincial Governments to agree to undertake the distribution and collection of forms and to arrange for some tabulation of the provincial statistics.

It was pointed out that the Central Legislature were precluded from passing an Act for regulating a matter which appeared to fall under Item 32 of List II (Provincial Legislative List) in the Seventh Schedule to the Government of India Act, 1935, unless the consent of the Legislative Chambers in the provinces to be covered was secured under the provisions of Section 103 of the Act. The Government of India, therefore, inquired if the provincial Governments would be willing to place the necessary resolution before the provincial Legislature, on the understanding that the proposal received the general support of the majority of provincial Governments.

To sum up, the points on which the Government of India desired to have the conclusions of the provincial Government were the following :—

(1) Is it desirable to collect the statistics suggested ?
(2) Should central legislation be introduced for this purpose ?

(3) Would the provincial Governments be prepared to co-operate in collecting and tabulating the statistics?

(4) In the event of the proposal receiving general support from the majority of provincial Governments, would the provincial Government be prepared to place the necessary resolution before its Legislature?

The Committee informed the Director of Industries that, whilst it would entail considerable work on the part of the employers collecting and tabulating the required information and statistics of employed persons, they were in favour of supporting this proposal on the grounds that any measure which would tend to increase employment or decrease unemployment was in the common interest. The Committee therefore considered it desirable that the suggested statistics should be collected and that central legislation should be introduced for this purpose.

EMPLOYEES' SECURITY DEPOSITS.

In October 1937 the Associated Chambers of Commerce of India at the request of the Madras Chamber addressed the constituent Chambers in regard to the desirability of a resolution being moved at the annual general meeting of the Association in connection with employees' security deposits referred to in Section 282B (1) of the Indian Companies Act. It was suggested that this Section might be amended so as to permit the employee to have the choice as to where the security deposits were to be held.

Section 282B (1) of the Act reads as follows :—

"All moneys or securities deposited with a company by its employees in pursuance of their contracts of service with the company shall be kept or deposited by the company in a special account to be opened by the company for the purpose in a scheduled bank as defined in Clause (*e*) of Section 2 of the Reserve Bank of India Act, 1934, and no portion thereof shall be utilised by the company except for the purposes agreed to in the contract of service."

The Committee informed the Associated Chambers that they were not in favour of supporting the proposed resolution. They considered that if the intention of the amendment was to permit the employee to entrust his

security deposit to banks other than the Reserve Bank, it was a matter of little importance, while if the employee was to be allowed to entrust his security deposit to concerns other than banks the Committee felt that the whole object of the measure would be rendered ineffective.

As the replies received from constituent Chambers indicated that the majority of constituent Chambers were opposed to the resolution, the Madras Chamber decided to drop the proposal.

TWENTY-FOURTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

The twenty-fourth session of the International Labour Conference will begin at Geneva on 2nd June 1938, when the following items will be on the agenda :—

(1) Regulation of hours of work and rest periods of professional drivers (and their assistants) of vehicles engaged in road transport.

(2) Technical and vocational education and apprenticeship.

(3) Regulation of contracts of employment of indigenous workers.

(4) Recruiting, placing, and conditions of labour (equality of treatment) of migrant workers.

(5) The generalization of the reduction of hours of work.

(6) International standardization of statistics of wages and hours of work.

INTERNATIONAL LABOUR CONFERENCES.

Representation of Chambers of Commerce.

(*See Report*, 1936, *page* 206.)

It was recorded in the Chamber's Annual Report for 1936 that the Committee had addressed the Associated Chambers of Commerce of India on the question of the

nomination of non-Government delegates and their advisers to sessions of the International Labour Conference at Geneva and placed on record with the Association the fact that this Chamber had amongst its members a shipping company registered in India and a firm who were managing agents of another such shipping company.

In October 1937 the Associated Chambers of Commerce of India addressed the Government of India on the subject and stated that they had received for a number of years through Government of India agencies, copies of press communiques issued by the Government of India, Department of Industries and Labour, inviting suggestions regarding the nomination of non-Government Delegates and their Advisers, but pointing out at the same time that "an Association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g., regulating conditions of employment)." While regretting this decision of the Government of India so to restrict the privileges of nomination that influential Chambers of Commerce might not be eligible to make nominations, the Associated Chambers had not actively protested against this definition which apparently deprived such Chambers of the right to nominate.

The Association added that the Government of India had doubtless their own reasons for not committing themselves to taking into consideration the views of the Chambers of Commerce in regard to these matters, and it might be that they took the view that the Treaty of Versailles referred only to industrial organisations and did not require that the interests of commercial bodies should be taken into account in nominating representatives, but there was a wider aspect to this question, namely that Chambers of Commerce not only represented those who, as employers, were vitally concerned in the subjects discussed at these International Labour Conferences but they were also Associations interested in the decisions made in so far as these might affect the general trend of commerce and trade.

It could not be contended that Chambers of Commerce were not interested; and, as the Chambers were not content to risk the interests of their members being adversely affected by labour legislation in the making of which they had no voice, the Association submitted for the consideration of the Government of India their claim to participate in the selection of Delegates and Advisers for these International Conferences and expressed the hope that the reasonableness of this request would be conceded and suitably met.

In regard to the matter of the selection of Delegates and Advisers for Maritime Sessions of these International Conferences, the Association presumed that the Government of India held the view that Chambers of Commerce could not justly represent the views of shipping companies registered abroad, although the latter might be members of the Chambers, as the interests of such companies should be protected by the Board of Trade in Great Britain if they were registered in the United Kingdom. In this connection, however, it was pointed out that there were in the membership of the Chambers shipping companies which were registered in India and whose interests certain of the Maritime Chambers also represented and in view of this the Association submitted their claim to be consulted in the matter of the selection of Delegates and Advisers for these Maritime Sessions as well as for the ordinary sessions of the International Labour Conferences.

In asking that the foregoing representations might receive the early and favourable consideration of the Government of India, the Association protested, on behalf of the constituent Chambers, against the Government of India's attitude in regard to these matters, in so far as it appeared to disregard the right of purely British interests to voice their opinions equally with Indian interests in regard to subjects, coming forward for discussion at these Conferences, which might be of vital importance to them. This attitude would appear to be contrary to the Government

of India Act, and the Association submitted that purely British interests could not be expected to forgo their rights in regard to these matters simply on account of certain stipulations in the Treaty of Versailles.

The Government of India in reply pointed out that the mere fact that an association might be interested in the decisions made in so far as these might affect the general trend of commerce and trade, did not give that association any standing under Article 389 of the Treaty of Versailles by which the Government of India were bound. In consequence the basing of the appointment on nomination by bodies whose sole claim was of this character would be an infringement of the treaty and could only lead to a successful challenge at Geneva. Government stated that they would hesitate to affirm that commercial employers, *qua* employers were excluded; the position was rather that agreement had to be reached " with the industrial organisations . . . . . which were most representative of employers." When regard was to be had to the extent of employment, Government did not think that any Chamber of Commerce, as such could claim to rank among " the most representative organisations " a term which, in most countries, probably connoted a single organisation of employers and a single organisation of workers.

As regards the Associated Chambers' claim that the right of purely British interests appeared to be disregarded, Government pointed out that " purely British interests " on the employing side were properly represented by the British employers' delegation. The treaty contemplated that the delegation should be a national one and no legislation, imperial or national, could form an adequate ground for action which was not in conformity with the Treaty. Shipping companies registered in India must be regarded as Indian employing interests and the question of whether any organisation including such companies had a right to have its nomination considered depended on whether it was or was not the most representative organisation, or

if there was no predominant organisation, one of the most representative organisations. Government considered that this term even when a maritime conference was in view, must be regarded as referring to employers generally and not merely to employers of seamen.

In addressing the Associated Chambers in the matter the Committee stated that in their opinion the reply received from the Government of India appeared to meet the contention raised in the Associated Chambers' letter both fully and fairly, and they did not consider, therefore, that it would be profitable to pursue the matter further with the Government of India.

PROVINCIAL COMMITTEES OF TIMBER UTILIZATION.

In February 1937 the Government of Bombay informed the Chamber that a conference of Forest utilization officers from Provinces would be held at Dehra Dun for 3 days from the 17th March 1937 to discuss the timber utilization work at the Forest Research Institute and in the Provinces. Item 3 of the Agenda proposed the formation of Provincial Committees of timber utilization with representatives from the Local Legislatures, Public Works Departments, Agricultural Departments, Industrial Departments and Chambers of Commerce. The Government of Bombay enquired whether the Chamber considered that a Committee of the nature proposed would be an advantage. So far as the revenue interests of the Presidency were concerned Government were doubtful of the value of such a Committee.

The Committee informed the Government of Bombay that in their opinion no useful purpose would be served by the appointment of Provincial Committees of timber utilization.

GRADING AND MARKING OF AGRICULTURAL PRODUCE.

In February 1937 a Bill was introduced in the Legislative Assembly which had for its object the grading and marking of agricultural produce.

In the statement of object and reasons appended to the Bill it was mentioned that in connection with the marketing surveys initiated by the Government of India, experiments had been started for the better grading of certain agricultural commodities, e. g. hides and eggs.

These experiments, which had been started after consultation with and the fullest co-operation of the local trade, had achieved marked success in creating a desire in the trade for the sorting and packing of the produce concerned according to prescribed grade specifications, and the marking of such grades of produce in a distinctive manner. These labels, seals and marks acquired a trade value by reason of the guarantee that they offered of the produce to which they were attached having been graded under supervision and the merchants and manufacturers concerned were of opinion that the use of such marks, etc., should be safeguarded against improper or unauthorised use. As the practice of using such marks was still only in an experimental stage, it was not proposed to make it obligatory on all persons who might be dealing in that commodity, but to limit it only to those who desired to participate in the experiment. No person, however, might make use of the mark without proper authority, or except in conformity with conditions that might be prescribed. Imitation or forgery of a prescribed mark must also be penalised if the experiment was to prove successful. The Bill was designed to achieve these objects.

The Committee had no objection to the Bill.

When the Bill came up for discussion in the Legislative Assembly an amendment was moved and adopted ensuring that all rules made under Clause 3 of the Bill should be published prior to their coming into effect.

The Bill was passed by both Houses of the Central Legislature and received the assent of the Governor-General on the 24th February 1937 (Act I of 1937).

A draft of the rules to be promulgated under the Act was published in the *Gazette of India* of the 27th February 1937. The Committee informed the European Group in the Central Legislature that they had no comments to offer in respect thereof.

IMPROVEMENT OF AGRICULTURAL MARKETING IN INDIA.

GRAIN STANDARDS.—WHEAT AND LINSEED.

(*See Report* 1936, *page* 222.)

In the Chamber's Report for 1936 a reference was made to a meeting held at Delhi on the 6th April 1936 of representatives of Indian Grain Trade Associations and Mills with the Central Marketing Staff, at which the terms of a suggested contract for trading in wheat were tentatively agreed upon.

A further conference was held in Delhi on the 6th April 1937 and, on the invitation of the Agricultural Marketing Adviser, the Committee nominated Mr. C. J. Damala to represent the Chamber at the Conference.

In forwarding to the Chamber a copy of the proceedings of the Conference, the Agricultural Marketing Adviser to the Government of India asked for the views of the Chamber on a proposed standard contract for linseed of which the following is a summary of the terms:—

Basis of Standard Linseed Contract.

Refraction Basis.—4 per cent. with mutual allowances up to 8 per cent. Over 8 per cent. cleaning charges at Rs. 3-8 per 100 bags plus allowance at full value to the buyer.

Foreign matter (Dirt, dead seeds and all non-oleaginous impurities).—To be treated as dirt of no value and included in refraction.

Other Oil-seeds (Oleaginous impurities).—Oil-seeds other than linseed (except Castor seed to be reckoned as half dirt up to 2 per cent. and full dirt over 2 per cent. Castor seeds to be treated as dirt.

Damaged seeds (Externally and internally discoloured).—Nothing free. Up to 6 per cent. to be reckoned as half dirt, from 6 per cent. to 8 per cent. as three-fourths dirt and over 8 per cent. as full dirt.

Slightly damaged or touched seeds (Externally discoloured).—1 per cent. free. Any excess to be reckoned as one-fourth dirt.

Unit of quotation.—Per maund of 82 2/7 lbs.

Bags.—New B-Twill bags.

Minimum unit of transactions for 'futures.'—500 maunds.

Delivery months for 'futures.'—May and September.

Suggested types.—i.e., if the contract specifies 'Bold or Small' the type should be as follows :

Bold Linseed.—Basis 125 grains per gramme with mutual allowances—to buyer or seller respectively, for every grain more or less than 125 grains per gramme at 0.15 per cent. of the contract price with a maximum allowance of 3 per cent. to the buyer and 1½ per cent. to the seller. Buyer shall have the option to reject if over 145 grains per gramme.

Small Linseed.—Basis 160 grains per gramme with mutual allowance to buyer or seller for every grain more or less than 160 per gramme with a maximum of 4½ per cent. of the contract price to buyer and of 2¼ per cent. to seller.

The Committee approved the proposed standard contract, but with the following amendments :—

(1) The clause "Slightly damaged or touched seeds" should read "Slightly damaged or touched and discoloured seeds."

(2) The Unit of quotation should be Cwts. net weight.

Delivery Dates in Wheat Contracts.

In October 1937 the Agricultural Marketing Adviser informed the Chamber that at the Conference held on the 6th April 1937 it was agreed that the English calendar months should be adopted for quoting delivery months in future transactions in wheat and that there should be not more than six contracts during the year, that these should be May, July, September, November, January and March and that where it was customary to have less than six delivery months, as for example at Bombay where futures contracts were limited to January, May and September, Associations would not be expected to adopt all the proposed six delivery periods so long as the contracts being traded in conformed to one or other of the specified months.

In order to give effect to the above decision the Agricultural Marketing Adviser requested the following procedure to be observed in respect of

(a) futures contracts open at that moment and falling due in 1937, i.e., before 31st December;

(b) futures contracts open at the moment for months of delivery in 1938; and

(c) futures contracts to be opened hereafter for deliveries in 1938 (or 1937).

It was mentioned that in regard to (a) no change from the existing system of quotation need be contemplated as all such contracts would be liquidated within a comparatively short period. As regards (b) apart from the Associations using the European calendar, in which case no changes were indicated, the Indian Produce Exchange, Amritsar, appeared to be the only Association with open contracts for 1938 deliveries e.g. for Magh (14th January—13th February) and Har (14th June—13th July). It was suggested therefore that the Amritsar Exchange convert Magh into January and Har into July in conformity with the proposed delivery months. In respect of (c) all new positions to be opened should conform to one or other of the approved months.

The Agricultural Marketing Adviser asked the Chamber to confirm these arrangements.

The Committee informed the Agricultural Marketing Adviser that members of the Chamber interested in the wheat trade were of opinion that the suggested procedure was quite fair and in order.

COTTON GINNING AND PRESSING FACTORIES (BOMBAY AMENDMENT) BILL.

In January 1937 the Indian Central Cotton Committee asked for the views of the Chamber on a proposal to extend the Cotton Ginning & Pressing Factories (Bombay Amendment) Act, IV of 1936 to the districts of East and West Khandeish.

After consulting the Cotton Sub-Committee of the Chamber the Committee informed the Indian Central Cotton Committee that they were in favour of the Act being applied throughout East and West Khandeish. They suggested, however, that the provisions of the Act should also be applied to a number of other centres, not districts, so that experience might quickly be acquired in widely differing conditions. With this object in view the Committee were of opinion that the experiment should be extended to parts of Compta district. It was submitted that the following centres might be selected for the present, *viz.* Hubli, Gadag, Bailhongal and possibly Savanur, as these were centres where malpractices were prevalent and most prejudicial to the interests of the mill industry in India. The Committee also recommended that at the same time a centre in Broach should be selected for the experiment.

BYE-LAWS OF THE EAST INDIA COTTON ASSOCIATION LIMITED.

Blind Surveys.

On the 6th March 1937 the Government of Bombay in the Finance Department issued a Notification publishing a draft of certain amendments to the bye-laws of the East India Cotton Association the object of which was to alter the system under which cotton survey and appeals were conducted by the Association.

After consulting the Cotton Sub-Committee, the Committee informed the Government of Bombay that they had no comments to offer on the proposed amendments.

ARRIVALS OF COTTON INTO BOMBAY BY MOTOR LORRY.

In May 1937 the Committee addressed the Government of Bombay in support of a representation from the East India Cotton Association requesting the assistance of Government in obtaining statistics of the arrivals into Bombay of cotton by road.

The Committee pointed out that this Chamber had for several years past collected, on behalf of the trade, statistics of the arrivals of various commodities into Bombay by sea and rail. It was understood, however, that during recent months large quantities of produce, particularly cotton, had been despatched to Bombay by motor lorry and as the Chamber had no means at its disposal for ascertaining the receipts by road, such receipts had not been included in the Chamber's statistical returns with the result that the returns were incomplete and misleading. As it was of extreme importance to the trade that the total arrivals of produce into Bombay should be as accurately estimated as possible the Committee strongly supported the request of the East India Cotton Association, and expressed a hope that Government would consider favourably at a very early date the suggestion that statistics of the arrivals into Bombay of cotton by motor lorry should be collected by their excise staff stationed on the main arterial approaches to the City.

Government, however, in replying to the East India Cotton Association stated that this work could not be entrusted to the excise staff as they had no authority to stop a vehicle, unless there was reason to believe that an excise offence was committed and suggested that as all lorries stopped at the Mahim and Sion Causeways for inspection by the Port Trust who recovered town duty on behalf of the Bombay Municipality on certain articles entering Bombay, the Port Trust would be in a better position to supply this information.

On the Port Trust being addressed in the matter, they informed the East India Cotton Association that they had no authority to detain lorries carrying cotton which was not subject to town duty, and, as in the case of the Excise Department they could not stop a vehicle unless there was reason to believe that goods liable to town duty were being carried.

The East India Cotton Association thereupon again addressed the Government of Bombay and asked the latter to reconsider their previous decision with a view to devising means by which statistics of the arrivals of cotton into Bombay by road might be made available to the cotton trade. The Government of Bombay informed the East India Cotton Association that they were willing to consider the question of entrusting to the Tobacco Department the duty of collecting statistics of cotton imported by road into Bombay if, as a result of the examination of the future of tobacco taxation, which was being made, the Tobacco Department's duty of examining road traffic was retained.

After considering the above correspondence the Committee suggested to the East India Cotton Association Ltd. that if the issue had not taken more definite shape before the next session of the Bombay Legislative Assembly, that Association would be well advised to have a question asked as to whether Government were in a position to deal with this matter. The East India Cotton Association agreed to do so.

USE OF INDIAN COTTON BY LANCASHIRE.

(*See Reports*, 1934, *page* 253; 1935, *page* 209 *and* 1936, *page* 236.)

In February 1937, the Lancashire Indian Cotton Committee forwarded to the Chamber copies of the Third Annual Report of the Committee. After consulting the Cotton Sub-Committee of the Chamber, the Committee submitted the following comments for the consideration of the Lancashire Indian Cotton Committee.

On pages 12 and 13 of the Report the statement was made that possibly saw-ginned cotton from 4F seed cotton was better than roller ginned cotton. As this appeared to be contrary to the view generally held in India, the Committee asked that they might be furnished with further

details as there might be room for propaganda in India in favour of saw-ginning some varieties.

Table 5 of the appendices gave the imports of the chief commodities from India into the United Kingdom as well as the total imports of all commodities from India. The Committee considered that it would be of interest if corresponding figures showing the imports of the chief manufactures of the United Kingdom into India could also be given.

FALL IN COTTON PRICES.

Proposed Quota Basis for Exports of Indian Cotton to the United Kingdom.

In December 1937 the Karachi Chamber of Commerce advised this Chamber that they proposed moving the following resolution at the annual general meeting of the Associated Chambers of Commerce of India :

"This Association urges upon the Government of India the necessity for taking steps for the protection of Indian cotton growers by entering into a reciprocal agreement with the United Kingdom on a quota basis, fixed on a sliding scale, by which an assured market for Indian cotton may be found in the United Kingdom. In view of the very serious situation which has arisen in the cotton trade, due to world supplies being vastly in excess of estimated consumption, and in view also of events in China which appear likely to result in the replacement to some considerable extent of Indian cotton by Chinese cotton in Japan, the prospects for the satisfactory disposal of the Indian crop, unless such an agreement is completed, can only be regarded with the greatest anxiety."

The question was very carefully considered by the Cotton and Import Sub-Committees, and the Committee advised both the Karachi Chamber and the Associated Chambers that they were unable to support the resolution, as they were of opinion that, apart from the very wide question as to the advisability of the Indian Government entering into any reciprocal agreement with the United Kingdom on a quota basis, the present time was most inopportune to press such a resolution on Government when Government itself was engaged in negotiating a general

trade pact with the United Kingdom, the terms of which had not at the moment been made public but in which, there could be little doubt, cotton interests would be cared for.

The Committee considered that in any case a resolution of this nature even if accepted and acted on by Government, would, under existing world conditions, be extremely unlikely to improve the price of cotton during the ensuing year and therefore would not help in the avowed aim of giving urgent protection to Indian cotton growers and the Indian cotton trade.

The resolution was moved by the Karachi Chamber at the annual general meeting of the Associated Chambers on the 20th December 1937 and after discussion, on the suggestion of the Bombay Chamber, an amended resolution in the following terms was passed by the meeting *nem con*:—

"In view of the serious situation, which has arisen in the cotton trade due to world supplies being vastly in excess of estimated consumption, and the recent events in China, which appear likely to result in the replacement to some considerable extent of Indian cotton by Chinese cotton in Japan, satisfactory disposal of the Indian crop must be a serious problem. This Association therefore urges upon the Government of India the necessity of incorporating in the trade discussions with the United Kingdom the consideration of an arrangement by which an assured market for Indian cotton of suitable quality, may be found in the United Kingdom."

FALL IN COTTON PRICES.

Proposed Import Duty on Foreign Cotton.

In November 1937 the Government of Bombay, Finance Department, advised this Chamber that Government viewed with concern the fall that had taken place in the price of cotton and were considering what steps might appropriately be taken to give relief to the cotton grower.

Government stated that it had been suggested to them that one remedy would be to raise the import duty on those varieties of foreign cotton which competed with Indian cotton in India so as effectively to shut them out during

the current year. Before considering whether the Government of India should be moved in the matter, the Government of Bombay desired to know the views of the Chamber on the proposal.

The Committee informed the Government of Bombay that according to the information available, there was no cotton being imported into India at the present time which competed with Indian grown cotton, and the position on which the Chamber's opinion was solicited, did not in fact exist. The Committee suggested that it was extremely unlikely that cotton capable of competing with the types produced in India could be grown in other countries and landed in India against the present revenue duties at a lower rate than the home grown product in its raw state.

If, however, arising out of Government's consideration of this problem there should be any suggestion, that the duty on cotton which was now being imported and did not compete with Indian grown cotton, should be increased, the Committee stated that they were definitely opposed to such a proposal on the ground that it would be to the disadvantage of the Indian textile industry without benefiting the cotton grower.

It was understood that a certain amount of Indian cotton was used in many types of cloth manufactured by Indian mills for which a longer staple cotton than could be grown in India was necessary, and the increase of duty might therefore render the cost of this manufacture prohibitive and would, in consequence, actually decrease the consumption of Indian cotton in local mills.

FALL IN COTTON PRICES.

Railway Freights on Cotton.

In November 1937 the East India Cotton Association requested the support of this Chamber to a draft letter which it was proposed to address to the Chief Commissioner, Railway Board, urging that in order to relieve to some extent

the acute distress which the low prices for cotton would bring to farmers all over India, the Government of India should make a substantial reduction in the railway freight on cotton, with a minimum reduction of 35% on all railways except the G. I. P Railway in which the reduction should be 50%.

The East India Cotton Association pointed out that while the railway rates on cotton in India had been stabilised at the high level which ruled in the post-war years of boom, the price of Indian cotton had fallen below the pre-war level.

In replying to the East India Cotton Association the Committee stated that while they appreciated the desire of that Association to secure lower railway freights in order to assist Indian cotton to compete more effectively in the international markets, they were unable to lend their support to this demand, without having facts and figures before them, which would indicate at least approximately the effect which such a reduction would have upon railway revenues, the extent to which the loss in railway revenue would have to be made by increased charges in other directions and how far the cotton growers' position would be ameliorated by the very large loss of railway revenue involved.

The Committee further stated that they held the view that a reduction in the earnings of the Railways from cotton freights on the scale suggested by the East India Cotton Association could not be accomplished without increasing the freight on other important commodities, but without information regarding the divergence in the incidence of freight between cotton and other commodities, the Committee were unable to say how far such an adjustment would be advisable. Moreover, since neither the ratio of freight to the value of cotton, nor the percentage increase over pre-war freight rates was uniform on all Railways or on all sections of individual Railways, it was not clear to the Committee how it had been determined that uniform reductions of 50%

and 35% on freight rates on the G. I. P. and other Railways respectively, would be an adjustment of the position likely to be equitable, in the changed conditions at present prevailing, as compared with the pre-war period, to all interests which would be directly affected.

The Committee felt that a proposal of this nature would ultimately depend upon the results which were likely to emerge therefrom, and if the East India Cotton Association could furnish information and figures which would enable them to consider the possible effects in more precise terms, they would be pleased to give this important matter their further careful consideration.

The Government of India, however, in replying to the East India Cotton Association pointed out that no feasible reduction of railway freight rates would have any appreciable influence on the position. On the other hand they calculated that the grant of the desired concession would involve a reduction of railway revenues of approximately Rs. 1½ crores. In deprecating such loss the Government of India stated they had in view not only their own interests but those of the provinces, any amount available for distribution to which, under the Niemeyer Award, would suffer a consequential reduction. In view of these and other considerations and also because any reduction of freight rates for cotton based on other than purely railway tariff considerations would be practically indistinguishable from a subsidy from railway revenues to support the cotton market, the Government of India regretted their inability to accede to the request of the East India Cotton Association.

BROADCASTING OF COTTON PRICES.

In June 1937 the Indian Central Cotton Committee informed the Director of Agriculture, Bombay Presidency, that the Government of India at their request had decided to resume the broadcasting in the mornings of commercial news pertaining to cotton, as an experimental measure for six months with effect from the 15th November 1937 or

such other date as may be approved by the Vice-Chairman, Imperial Council of Agricultural Research. In submitting to the Chamber details of the proposals of the Indian Central Cotton Committee the Director of Agriculture asked for its views on the following points :—

(1) The suitable time for broadcasting and the particular cotton rates which would be of interest to the cultivators and merchants.

(2) Suitable cotton markets where receivers should be installed for the use of cultivators attending the markets (for the whole of India only 12 receivers would be available for this purpose).

(3) Suitable texts for broadcasts to make the prices intelligible to the cultivators, (it was proposed that the form of the broadcast should be standardised).

After consulting the Cotton Sub-Committee the Committee informed the Director of Agriculture that in their opinion the twelve most important cotton markets in India were already so well equipped with receivers privately owned or belonging to local marketing authorities, or so well served by telegraphic and telephone news, that the average seller was as well informed about the latest cotton prices as in Bombay. Furthermore, as there appeared to be considerable difference of opinion as to the most suitable time for broadcasting prices and suitability of time might depend on the places selected, the Committee regretted they were unable to make any recommendations.

SALE OF IMITATION AND ADULTERATED TEA.

In March 1937 the Bengal Chamber asked for the views of this Chamber on a suggestion made by a member of the former Chamber that the health authorities in Bombay might be addressed with a view to a further tightening up of the provisions of the Bombay Prevention of Adulteration Act in order to suppress the sale of imitation and adulterated teas.

After carefully considering the question in consultation with members interested in the tea trade the Committee informed the Bengal Chamber that they were inclined

to doubt whether at that stage there was any case for the intervention of the Chamber. The Committee felt that it was a matter in which the Indian Tea Market Expansion Board should take action in collaboration with those interested in the genuine tea industry in Bombay.

In this connection the Committee mentioned that there was in Bombay a body called "The Bombay Tea Merchants' Association." This Association did not seem to have been referred to at all in the correspondence forwarded by the Bengal Chamber.

COAL SUPPLIES.

In December 1937 the Associated Chambers of Commerce of India addressed all constituent Chambers on the subject of coal supplies as a result of a letter, addressed to the Association, by the Northern India Chamber of Commerce. The Associated Chambers enquired whether or not, after considering the question, constituent Chambers thought it desirable that the Association should make strong representations to the Government of India.

The Northern India Chamber of Commerce had stated that one of their members had complained of the unsatisfactory deliveries of supplies and of the high price of coal. They pointed out that the increase in the price of coal and short deliveries could not be entirely attributed to the disappearance of female labour, to the re-employment of whom they were definitely opposed, and that other causes should be sought for the existing high price and shortage of coal.

Particular attention was drawn by the Northern India Chamber to Clauses 1 and 2 of the contract form, which they considered to be one sided and unfair. According to these clauses the quantity of coal deliverable in each month should be deemed to form a separate contract, and in case the sellers failed to supply the stipulated quantity, the contract only in so far as it related to that particular month should be deemed to have been discharged. This meant that the coal

suppliers were not bound to make good in subsequent months the quantity they had failed to supply with the consequent result that electric supply companies were placed in a very difficult position owing to the anomaly by which a contract for a fixed quantity was liable to breach piecemeal.

The Committee informed the Associated Chambers that they very definitely did not consider that this issue was one which should be referred to the Government of India at all, and they were opposed to the Associated Chambers being a party to any such representation.

The Committee pointed out that both coal suppliers and electric supply companies were members of constituent Chambers and it was manifestly undesirable that the Associated Chambers should take sides in a matter concerning contracts between members of the constituent Chambers. The Committee thought that differences such as these should be settled by direct negotiations between the parties concerned.

For many years coal consumers had been in a position to demand their own terms whilst the coal industry had been struggling through a crisis as acute, if not more acute than the industries which consumed coal. The Indian Mining Association had been formed to protect the interests of coal producers, but there must be many coal producers who were not bound by the form of contract approved by this Association and from whom electric supply companies could draw their supplies if they so desired. Furthermore, there was no reason why, if electric supply companies found the terms which the members of the Indian Mining Association imposed in their contracts were unsuitable and/or inequitable for the conditions under which electric supply companies worked, the latter should not negotiate for more suitable terms individually or through an association of electric supply companies. The business which electric supply companies in India were able to offer to coal producers was by nature and quantity sufficiently attractive on its

own merits to secure equitable terms from the producers and in the opinion of the Committee these terms should be secured by direct negotiation between producers and consumers without seeking the interference of the Government of India with either party's business.

In conclusion the Committee stated that they did not agree with the interpretation which the Northern India Chamber of Commerce put on clauses 1 and 2 of the contract. Buyers could give standing orders for quantities to be delivered each month if they did not have reason to vary them, but if they failed to give any instructions they had to compensate sellers. If sellers failed to supply the quantities required by buyers the latter had the right to demand that the short delivery against each separate month (i.e. contracts) should be made good. The Committee did not see anything inequitable in these terms. The question as to whether recent legislation regulating the conditions under which coal might be mined in India had been of such a nature as to reduce unduly the capacity of the coal industry to meet the demand was another matter altogether, and the Committee were of opinion that if it was to be raised it should be considered as an issue apart from the terms of any particular sellers' or group of sellers' contracts.

EXECUTION OF ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

(*See Reports*, 1923, *Vol. I, page* 219 ; 1928, *Vol. I, page* 239; 1936, *page* 239.)

It was recorded in the Chamber's Report for 1936 that the Geneva Protocol on Arbitration Clauses (1923) and the Execution of Foreign Arbitration Awards (1927) had been signed on behalf of India, subject to reservations limiting India's obligations under the instruments to commercial contracts and excluding the Indian States from the scope of the instruments. It was also mentioned that before these instruments took effect they had to be ratified but prior to

ratification it was necessary to enact legislation implementing certain obligations contracted under these Instruments and a Bill incorporating the legislation needed in this respect was introduced in the Legislative Assembly on the 25th January 1937. After amendment by the Select Committee the Bill was passed by the Legislative Assembly and received the assent of the Governor-General on the 4th March 1937, (Act VI of 1937, published on pages 11 to 17 of Part IV of the Gazette of India, dated 13th March 1937). It was enacted that the various provisions of the Act would come into force on dates to be notified by the Governor-General in Council who might appoint different dates for the coming into effect of different provisions of the Act.

In July 1937 the Chamber was informed that the Government of India were taking the necessary steps to ratify the Protocol and the Convention and it was proposed to bring the different sections of the Act into force as soon as these instruments took effect. The Protocol would take effect one month and the Convention three months after the date of ratification.

The Committee subsequently addressed the Prothonotary, Original Side, Bombay High Court, on the subject and enquired whether it was the intention of the Bombay High Court to call for the views of mercantile bodies on any rules they might promulgate under the provisions of the Act. The Committee were informed that the matter was under the consideration of the Honourable the Chief Justice and Judges in consultation with other High Courts. The question of inviting the views of the mercantile bodies on the draft rules would be considered by their Lordships when they were finally settled.

In November 1937 the Government of India announced the ratification of the adherence of British India to the Geneva Protocol on Arbitration Clauses (1923) to take effect from the 30th of November 1937 and the Convention on Execution of Foreign Arbitral Awards (1927) to take effect from the 23rd January 1938.

By a notification dated 27th November 1937 the Government of India brought into force Section 3 of the Arbitration (Protocol and Convention) Act, 1937, as from 30th November 1937, and by a further notification dated 8th January 1938, the remaining sections were brought into force with effect from 23rd January 1938. The Government of India at the same time also declared under section 29 of the Act the Powers which were parties to the Convention on the Execution of Foreign Arbitral Awards and the territories to which the Convention applied.

CLAIMS FOR SHORTAGES AGAINST STEAMSHIP COMPANIES.

(*See Reports*, 1920, *Vol. I*, *pages xxxv*, 206; 1921, *Vol. I*, *pages* 206 *and* 310.)

In May 1937 a member requested the Committee to give a ruling in the following connection :—

A shipment of Egyptain cotton arrived with one bale short and the consignee submitted an invoice to the shipping company for the value. The shipping company claimed that they had to make enquiries at the end of the ship's run before paying. They were unable to trace the bale and offered to pay the consignee the invoice amount. The member pointed out, however, that the market had advanced considerably meanwhile and they had to replace the bale for the buyer at the higher rate. The shipping company refused to pay more than the original amount. The member contended that the shipping company should have paid the original amount in the first place and kept the bale if found, or paid the market value when the shortage was proved.

The member was informed that in the opinion of the Committee the steamship company must be given a reasonable time for tracing goods that are lost or missing and the amount of compensation payable must depend on custom and usage. This varied with different lines but the usual custom was to allow C. I. F. prices plus duty plus 5% and of course depending on any special terms in the bill of lading.

DELAYED SHIPMENTS FROM JAPAN.

In October 1937 the Consul for Japan, Bombay, drew the Chamber's attention to a circular announcement that had been received from the Nippon Woollen Textile Exporters' Association, Osaka, pointing out that due to the present political circumstances the members of that Association were experiencing great difficulty in shipping goods at the contracted time. In view of this it requested that its members should be released from all responsibilities of delayed shipments, and that extended shipments should be accepted without any condition, when a shipment was delayed for the above reason.

The Committee informed the Consul that in so far as the position was one which could properly be dealt with only in relation to separate contracts, it was presumed that individual sellers had advised individual buyers in such manner as might be necessary. The Committee pointed out that after receipt of a similar announcement in August 1937 from the Japan Cotton Textile Exporters' Association for India, members were advised in general terms of the circumstances that had arisen but it was considered impracticable to do more than this, as it appeared to the Committee that the question as to whether the request for extended shipment could be granted, was one which could only be decided on the facts of any particular contract.

INSURANCE AGAINST WAR RISK AND CIVIL WAR.

(*See Report* 1935, *page* 212.)

In January 1937 the Bombay Fire Insurance Association informed the Chamber that intimation had been received from London that an agreement had been reached between the British Insurance Association—a body comprising practically all Insurance Companies, tariff and non-tariff—and the Committee of Lloyds to discontinue granting insurances covering the risks on land of war and civil war.

It was particularly emphasised that this agreement had not been entered into by any fear of an early outbreak of hostilities but because it was felt that the risks of war and civil war were not, under modern conditions, proper subjects for insurance. This belief was fortified by recent events in Spain.

The immediate effect of this agreement, which had been made applicable to the area controlled by the Bombay Fire Insurance Association, was the amendment of the cover granted at the moment under the Association's Riot and Civil Commotion Tariff.

The wording to be applied would be as follows :

" Loss or damage (by Fire only)(or) (including Fire Loss or Damage) directly caused by Riots, Strikers, locked-out workers and/or other persons taking part in labour disturbances."

This wording was applicable to all new business and renewals forthwith.

The Committee in replying to the Bombay Fire Insurance Association pointed out that while the new clause adopted by the Association at the instance of the British Insurance Association covered damage arising out of riots and labour disturbances it excluded loss or damage directly caused by the operation of martial law and the military in connection with riots and strikes. The Committee were unable to appreciate why this should be the case and drew attention to the fact that in India riots, not infrequently, were due to communal or religious reasons and the military were often called out to assist the police. If the military had to open fire in dealing with serious rioting this would not, in the opinion of the Committee, constitute civil war, but damage to property might result. It appeared that the new clause, which had been drafted at Home, did not take sufficiently into consideration the specific conditions prevailing in this country and the Committee asked the Bombay Fire Insurance Association to take the matter up on these lines with the British Insurance Association and the Committee of Lloyds.

The Bombay Fire Insurance Association subsequently informed the Chamber that the aspect presented by the latter had already been considered by the Association who had addressed the Fire Offices' Committee (Foreign) in London on the subject, and that the reply received from the Fire Offices Committee had been referred to the other Fire Insurance Associations in India.

MARINE INSURANCE POLICIES.

ASSIGNABILITY AND SUBROGATION.

(*See Report* 1936, *page* 33.)

It was recorded in the Chamber's Report for 1936 that a resolution in the following terms was adopted at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st December 1936 :—

"This Association urges upon the Government of India the necessity of enacting without delay legislation in British India embodying the provisions of the Marine Insurance Act 6, Edw. VII 1906, and of amending Sections 6 and 135 of the Transfer of Property Act, 1882, so far as they conflict with Sections 50 and 79 of that Act which provide for the assignment of Marine policies either before or after loss and for the right of subrogation respectively."

The terms of the resolution and a report of the discussion which preceded its adoption were duly forwarded for consideration to the Government of India, who subsequently informed the Associated Chambers that the questions raised had been noted for consideration when a suitable occasion arose to amend the Transfer of Property Act, 1882, but that their legislative programme was too heavy to admit of their embarking forthwith on legislation which was admittedly not of an urgent character.

The Committee informed the Associated Chambers that they would revert to the subject when some of the heavy items now in the Government of India Legislative programme had been disposed of.

INSUFFICIENT PACKING.

(See Report 1936, *page* 245.)

The following resolution was adopted by the Fourteenth Congress of the Federation of Chambers of Commerce of the British Empire held in Wellington, New Zealand, in October 1936 :—

"That it be an instruction to the Federation of Chambers of Commerce of the British Empire to address a letter to each of its constituent members directing attention to the marked increase in the number of commodities which are shipped or are tendered for shipment in packages which are insufficient for the safe conveyance of their contents, and that with a view to eliminating a practice which is fraught with undesirable results to British trade, the constituent members of the Federation take up with their own members the necessity of using only containers or packages which can be relied upon to safeguard their contents. Containers which may be quite suitable for land transport are not necessarily sufficient for sea carriage and frequently land transport thereafter."

The attention of all members of this Chamber was drawn to the resolution in March 1937.

C. I. F. CONTRACT.

Heavy Crane Charges.

In May 1937 an enquiry was received from a member as to whether under a C. I. F. contract the seller was responsible for special crane charges incurred on heavy packages.

The member was informed that in the opinion of the Committee a C.I.F. contract was fulfilled when the seller delivered to the buyer or his agent the set of documents in respect of the shipment, that is to say, the invoice, bill of lading and insurance policy.

BURSTING OF THE MONSOON.

On the 9th July 1937 the Meteorologist, Bombay, informed the Chamber that the south-west monsoon advanced as a feeble current on the Malabar Coast on the 4th—5th June 1937 and continued weak up to the 8th. Thereafter

it strengthened and may be said to have been established in Malabar on the 9th—10th. The monsoon reached Bombay on the 12th June and was established there on the 17th—18th.

WEATHER WORKING DAYS DURING 1937.

The following days during the monsoon months of 1937 were declared by the Committee of the Chamber to be half or non weather working days for steamers in the docks:

Monday,	21st	June	1937, Half-weather working day.
Thursday,	24th	June	1937, Half-weather working day.
Friday,	9th	July	1937, Half-weather working day.
Saturday,	10th	July	1937, Non-weather working day.
Monday,	12th	July	1937, Half-weather working day
Tuesday,	13th	July	1937, Non-weather working day.
Tuesday,	20th	July	1937, Half-weather working day.
Thursday,	22nd	July	1937, Non-weather working day.
Saturday,	11th	September	1937, Half-weather working day.
Tuesday,	21st	September	1937, Half-weather working day.
Wednesday,	22nd	September	1937, Half-weather working day.

The Deputy Conservator of the Port, in consultation with the Harbour Master and a representative of the Chamber, also decided that the above mentioned days were half or non weather working days respectively for vessels working in the stream.

RATE CONTRACTS OF THE INDIAN STORES DEPARTMENT.

Alterations in Conditions.

In September 1937 a member brought to the notice of the Chamber that the Indian Stores Department had made several alterations in the "Conditions of Contract" as applied to "rate contracts." Previously the Governor-General in Council in the person of the Indian Stores Department was the only purchasing party to contracts with that Department, and it therefore followed that the payment was to be made by the Department for all goods

supplied under the contract, irrespective of the parties to whom such goods were delivered and that any differences arising under the contract were to be settled in accordance with Clauses Nos. 22 and 24 which were automatically applicable to both parties to the contract.

In the amended form of contract (Clause No. 2) Governors of Provinces, Indian States and the Governor of Burma were cited as parties to the contract in addition to the Governor-General in Council, and suppliers were notified that the Indian Stores Department reserved the right to allocate the agreement for the supply of goods under the contract in whole or in part to any one or more of the parties above named.

In addressing the Controller of Stores in the matter the Committee pointed out that in the normal course the allocation of a contract to a party would involve the transference of all rights and responsibilities under the contract, but as no Clause other than Clause No. 2 had been modified to meet the transference of such rights and responsibilities it was not clear to the Committee if it was the intention that all rights and responsibilities under the contract would be allocated with the contract to the parties named, or whether the Indian Stores Department would remain responsible as the legally constituted agents of the parties to whom the contract might be allocated, for payment and other obligations of the purchasing party.

It appeared to the Committee that if it was the intention to transfer the rights and responsibilities when the contracts were allocated to Indian States and/or the Governor of Burma, Clauses Nos. 22 and 24 would not in that event be operative.

The Committee requested the Controller of Stores to define exactly the differences which the alterations to Clause No. 2 were intended to impose upon suppliers under rate contracts.

The Chief Controller of Stores advised the Chamber that the changes in the contract forms had been found necessary as a result of the introduction of the new Government of India Act. All contracts were executed in the past in the name of the Secretary of State for India in Council irrespective of the fact that supplies were to be made to Departments of the Central Government, Provincial Governments, Indian States, etc. It had been decided that the names of the various parties on whose behalf supplies were arranged would be mentioned in the contracts and for this purpose the officers of the Indian Stores Department who were authorised to sign such contracts had been duly authorised to act as legally constituted agents of the parties concerned. Payment would be made as in the past by the Audit Officer, Indian Stores Department, for all supplies accepted against contracts arranged by that Department and any differences arising under these contracts would be settled in accordance with Clauses 22 and 24 or form I.S.D. 12-F, in the case of Rate Contracts and corresponding clauses in other contract forms. No alterations in these clauses were consequently necessary.

The Committee in again addressing the Chief Controller of Stores stated that they had noted with interest that it was considered desirable that the names of the various parties on whose behalf supplies were arranged should be mentioned in Indian Stores Department contracts, and for this purpose the officers of the Indian Stores Department, who were authorised to sign such contracts, had been duly authorised to act as legally constituted agents of the parties concerned.

The Committee suggested, however, that the wording of the new Clause 2 (with marginal note) of the standard contract did not exactly set out the position as described, and that in order to make the position clear to tenderers this clause might advantageously be re-drafted as follows :—

Purpose of contract and parties to the contract :—

The parties to the contract, which shall be deemed to be a " Rate Contract " and which is intended for the supply of the stores of the

descriptions set forth in the schedule hereto annexed during the period therein specified, shall be the contractor, (which expression shall, where the context so admits or implies, be deemed to include his executors and administrators) of the one part and the Indian Stores Department acting as the duly authorised and legally constituted agents of the authorities noted on the margin, hereinafter called the purchaser, etc. . . . . .

RATE CONTRACT WITH THE INDIAN STORES DEPARTMENT.

Increased Cost of Goods due to Rise in Price of Raw Materials.

In March 1937 a member asked for the views of the Chamber in regard to the refusal of the Indian Stores Department to agree to pay enhanced prices under their rate contract on goods the cost of which had increased owing to a rise in the price of raw materials.

The Committee informed the member that in their opinion as the contract with the Indian Stores Department did not provide for any increase in price, due to the rise in the cost of raw materials during the period of the contract, being passed on to the buyers, the member was bound to supply the goods at the contract rates. The Committee added that the question of an increase or reduction in the contract rates owing to a variation in the rates of import duty, to which the member had also referred, was a different matter altogether, and was provided for by Section 10 of the Indian Tariff Act.

BOMBAY STOCK EXCHANGE.

(*See Reports*, 1923, *Vol. I, page* 55 ; 1925, *Vol. I, page* 297 ; 1926, *Vol. I, page* 75 ; 1927, *Vol. I, page* 108 ; 1930, *Vol. I, page* 224 ; 1932, *page* 295 ; 1933, *page* 232 ; 1935, *page* 39 ; 1936, *page* 46.)

It was mentioned in the Chamber's Report for 1936 that the Committee had requested the Government of Bombay to ask the Stock Exchange Enquiry Committee

to issue a questionnaire. A questionnaire was issued in January 1937 and after considering it in consultation with the Finance Sub-Committee, the Committee of the Chamber submitted the following replies on the 22nd January 1937 :—

REPLIES OF THE COMMITTEE OF THE BOMBAY CHAMBER OF COMMERCE TO THE QUESTIONNAIRE ISSUED BY THE STOCK EXCHANGE ENQUIRY COMMITTEE.

Question 1.—Should forward trading be stopped completely ? Or, should it be allowed with restrictions ? And if so, with what restrictions ? Do the conditions for putting a scrip on the forward list require any modification ?

Answer 1.—The Committee are not opposed to forward dealings provided such dealings are properly regulated and controlled.

The majority of the Committee are in favour of a scheme of " margins " being introduced. They would prefer fortnightly settlements with margins if this is practicable. They consider, however, that " margins " should be a *sine qua non* if monthly settlements are decided upon.

The Committee have no suggestions to offer in regard to the putting of scrip on the forward list.

Question 2.—Have you any suggestions to offer as regards the control of sub-brokers, their status, position and responsibility ?

Answer 2.—The Committee have no suggestions to offer.

Question 3.—Is strict differentiation between jobbers, tarawniwasla and brokers advisable ?

Answer 3.—It is desirable, if practicable, to differentiate between jobbers and brokers.

Question 4.—Stock Exchange Building : Is present accommodation therein sufficient ? Are facilities, such as installation of electric boards for giving latest prices, necessary ?

Answer 4.—The Committee are in favour of the gradual modernization of the Stock Exchange.

Question 5.—Do you consider that the existing powers of the President and the Board of Directors require to be enlarged or modified in any way ? Should the Board be given power to prevent individual members of the Association, under certain circumstances, from speculating in forward scrips ? Should the Board have power to intervene in transactions between members ?

Answer 5.—In theory the powers of the Board are adequate, if full advantage is taken of them. The Committee have no special modifications to suggest in the powers at present held by the Board. They consider, however, that the Board should not have power to close the market except that, in the event of the death of a member, it may be closed for one hour as a mark of respect.

Question 6.—Do you consider that the intervention of Government is necessary under any special circumstances ?

Answer 6.—This question has been answered under other headings.

Question 7.—Holidays : Are they excessive at present ?

Answer 7.—The Committee are of opinion that the Stock Exchange should not be permitted to close entirely except—

(*a*) on holidays under the Negotiable Instruments Act ;

(*b*) on one day per fortnight for settlement if fortnightly settlements are arranged, or on one day per month for settlement if monthly settlements are continued ; and

(*c*) in the event of a crisis and then only with the previous consent of Government.

Question 8.—Hours of Business : Are any changes therein necessary or desirable ?

Answer 8.—The Stock Exchange should be open for not less than four hours on week days and two hours on Saturdays, save and except that the market may be closed one hour only on the death of a member as recommended in the answer to Question 5.

Question 9.—Brokerage: Should there be a fixed minimum scale of commissions?

Answer 9.—The Committee consider that there should be no maximum or minimum brokerage charge. A fixed graded scale of brokerage on a percentage basis should be adopted, subject to a minimum fee of Re. 1 for any one transaction.

If a scheme of fortnightly settlements is adopted, it is felt that the scale of brokerage should be decreased rather than otherwise.

Question 10.—Amendments to Contract Notes: Should it be compulsory for brokerage to be shown separately in an agency contract?

Answer 10.—It is desirable that brokers should be compelled to show on the contract in every case the prices at which all transactions are put through, with the brokerage charged shown separately.

Question 11.—Defaulters: Circumstances under which they should be reinstated. Should defaulters who have not paid their creditors in full be allowed to do business, say, as sub-brokers, and under what conditions?

Answer 11.—A broker must satisfy his creditors in full before he becomes eligible for re-instatement.

Question 12.—Should restrictions imposed under Rule 7 of the Rules of the Native Share and Stock Brokers' Association on persons having connection with other trades be removed?

Answer 12.—Opinion is divided but the majority of the Committee consider that the restriction might be relaxed to some degree.

Question 13.—Clearing House: Should all dealings in shares, either cash or forward, be arranged through the Clearing House? Should monthly clearing be expedited? Should settlements be fortnightly? Is it necessary to publish daily official price lists?

Answer 13.—All forward dealings in shares (Government Securities excluded) should be arranged through the Clearing House, and clearing, whether monthly or fortnightly, should be expedited. The public should, however,

have the right to insist on all their transactions going through the Clearing House. It is essential that daily official price lists should be published.

Question 14.—Member's card constitutes a security for the benefit of his fellow members. Should members be required to provide additional security for protecting their clients' interests ?

Answer 14.—(See Answers to Questions 1 and 20 re : margins.)

Question 15.—Are any powers required for the investigation of brokers' books of accounts and contracts in addition to those at present enjoyed by the Board of Directors ?

Answer 15.—They should have power to call upon members and/or their clerks to furnish information relative to any matter requiring investigation.

Question 16.—Should blank transfers of shares be allowed ? If so, should their currency be limited ?

Answer 16.—The Committee are of opinion that the use of blank transfers should be strictly limited, but consider that the present stamp duty is so high as to encourage the use of blank transfers.

They suggest that a substantial reduction should therefore be made in the stamp duty and that Government need not suffer any loss of revenue in the result if proper precautions are taken to see that the use of blank transfers is strictly limited.

At present the stamp duty on transfer of shares is 12 annas for every Rs. 100 or part thereof of the value of the share. In the case of Debentures it is 12 annas for every Rs. 100 or part thereof of the face value of the debenture. It is suggested that the duty might be reduced from 12 annas to 4 annas but that all transfers *before* execution by the transferor should be stamped with an embossed stamp at a special Stamp Office to be opened in close proximity to the Stock Exchange for that purpose, the stamp to be dated and provisions to be made whereby a further stamp for the same amount must be affixed in

the event of the transfer not being lodged with the registering authority within a fixed period of time which it is suggested might be two months: It has been suggested that there might be very serious objection to these proposals on the ground that the expense to the borrower borrowing on the security of shares or other securities would be excessive, but it is thought that this could be overcome by the borrower being required by the lender to execute a special irrevocable power of attorney in favour of the lender and a special rate of stamp duty might be fixed for such powers.

Question 17.—Should Rule 335 dealing with corners be revived? Have you any suggestions for the improvement of the rules dealing with corners?

Question 18.—Bear Raids: Should the present Rule 188 be continued? Is it adequate for the purpose? Does it require modification in any respect?

Answers 17 *and* 18.—These two questions can be dealt with together, since both of them relate practically to the same subject and have a common aim.

In the opinion of the Committee, both the rules should be deleted from the Rules and Regulations of the Stock Exchange, since the exercise of the power vested in the Board by these two rules with a view to protect the "Bears" and "Bulls," as the case may require, has definitely encouraged excessive trading and speculation in the market.

Prior to the Atlay Committee's Report as far back as 1910, the Committee of the Stock Exchange took steps to deal with "corners" and "bear raids" on each occasion as it rose but in most cases its intervention had proved arbitrary. Despite the Atlay Committee's strong recommendation for the removal of protection afforded by these rules to both "Bears" and "Bulls" the Government of Bombay continued the protection when framing the new rules.

It appears to the Committee that the existence of such a provision in the Rules rather encourages overtrading, than the contrary. If the price of a scrip goes over or

under its intrinsic and real value, economic forces are bound to assert themselves in bringing out genuine buyers and sellers, causing the prices to re-adjust themselves to economic levels.

The fundamental cause of all embarrassment in the affairs of the Association, in the view of the Committee, is the interference by the Association in the course of free trading in the market. The complete removal of these rules and, in the opinion of the majority of the Committee, a fortnightly settlement, instead of a monthly as at present, should help considerably to check over-trading which either results in a "bear raid" or a "corner," as the "Bulls" as well as the "Bears" will realise that there is no power of protection with the Committee of the Stock Exchange.

Question 20.—Margins: Whether brokers should be required to insist upon margins from their clients for putting through transactions on their behalf? If so, how can such requirements be enforced on all the parties concerned?

Answer 20.—As stated in the Answer to Question 1 the majority of the Committee are in favour of a scheme of "Margins." The procedure for the enforcement of any scheme proposed should be explored and when adopted should be enforced statutorily.

Question 21.—Listing requirements: Are they adequate? Or should they be enlarged further with a view to safeguard the interests of the public?

Answer 21.—The Committee favour the marking of all bargains and the publication of daily official lists.

Question 22.—Should it be made compulsory to disclose the identity of a client in all circumstances in the broker's books?

Answer 22.—The Committee do not think the suggestion is feasible.

Question 23.—Whether it is necessary to prevent members from speculating on their own account? If so, how?

Answer 23.—This would seem to be very necessary but the Committee do not see how such speculation can be prevented. It happens all over the world.

Question 24.—Are you of the opinion that the Bombay Securities Contracts Control Act, 1925, requires any amendment; and, if so, in what manner? Do you think it is desirable that Government should reserve to itself the power it has at present under the Act of sanctioning the rules of the recognised Association?

Answer 24.—The Committee have no suggestions to put forward in answer to the first part of this question apart from any consequential amendments following on their answers to other questions; e.g., as indicated in the Answers to Questions 17 and 18, it is not thought that the rules should provide emergency powers for dealing with corners, etc. (see Sec. 5 (2) (*e*) of the Bombay Securities Contracts Control Act, 1925).

In regard to the second part the Committee consider that Government should retain to itself such powers as it now has; and in addition should assume such further powers as have been outlined in the answers to the preceding questions (see Answer No. 7).

The Hon'ble Mr. R. H. Parker and Mr. D. D. Storrar gave oral evidence on behalf of the Chamber on Friday, 29th January 1937.

RULES OF THE NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

In June 1937 the Government of Bombay drew the attention of the Chamber to a notification in the *Bombay Government Gazette* of the 3rd June publishing the following amendment made by the Native Share and Stock Brokers' Association, Bombay, in the rules of the Association for the regulation and control of transactions in securities (other than ready delivery contracts) :—

At the end of the Proviso to Rule 254 (*b*) the following words shall be added, namely :—

" or which is a merger of companies, all of which shall have been incorporated for not less than three years previous to the date of the merger.

After consulting the Finance Sub-Committee the Committee informed the Government of Bombay, that they were in accord with the proposed addition to the rules.

The proviso to Rule 254 (b) formerly read as follows:—

"Provided that the Board of Directors may by a resolution passed by not less than three-fourths of the total number of Directors admit to dealings for Account and Settlement under this rule the shares of a company which has not complied with condition 3 but which shall have been incorporated for not less than three years previous to the date of its application for the admission of its shares."

PAYMENT OF BILLS.

In June 1937 a circular was sent to all members of the Chamber soliciting their views regarding the system ruling in Bombay amongst Government departments, mills and commercial firms of requiring creditors to collect amounts due by means of bill collecting peons. Fifty-seven replies were received, out of which six members only wished to retain this system. The remaining fifty-one desired that a system of direct remittance should be introduced.

The Chamber therefore addressed various Government departments and other public bodies with a view to obtaining their adoption of this suggestion.

Replies were received from the Bombay Port Trust, the Accountant-General, Bombay, and His Majesty's Mint, agreeing to pay bills due to members by direct remittance. The Collector of Customs wrote that the inconvenience of deputing bill collectors to receive payment could be got over by members opening a personal deposit account to which refunds, etc., due to depositors could be credited by book adjustment and the B. B. & C. I. Railway agreed to send remittances due direct to Banks for crediting payees' accounts.

LONDON SCHOOL OF HYGIENE AND TROPICAL MEDICINE.

During the year the Chamber received copies of a memorandum on a proposal to improve and extend the

organisation of the Ross Institute, London School of Hygiene and Tropical Medicine, in India and copies of the undernoted publications :—

(*a*) London School of Hygiene and Tropical Medicine : Report to Subscribers by Sir Austen Chamberlain for the year ending 31st July 1936 ;

(*b*) The Species Control of Anophelines in India by Dr. G. C. Ramsay ;

(*c*) Report of the work of the School for the year 1936-37

The publications were placed at the disposal of members of the Chamber.

IMPERIAL EDUCATION.

(*See Reports*, 1929, *Vol. I*, *page* 229 ; 1933, *page* 333.)

In March 1937 the Federation of Chambers of Commerce of the British Empire informed the Chamber that a third edition of the text-book " A Junior History of the British Empire Overseas " was being issued and requested that the Chamber might take further action to keep the book prominently before those principally concerned.

The Committee asked the Director of Public Instruction to bring the new edition of the book to the notice of the Inspector of European Schools.

EXPULSION OF THE FIRM OF MESSRS. MOHAMED-ALLY & Co. FROM ABYSSINIA.

In June 1937 the Associated Chambers of Commerce of India enquired whether this Chamber was agreeable to the Association taking up with the Government of India the question of the expulsion of Messrs. Mahomedally & Co. from Abyssinia by the Italian Government.

The Committee informed the Associated Chambers that in their opinion the case was one which called for the attention of the Government of India and His Majesty's Government to the extent that the Italian Government should be requested (if this had not already been done) to set out their reasons for the expulsion of Messrs. Mahomedally & Co., and the evidence upon which penal action if any, had been taken against this firm.

In the event of the Italian Government's reply disclosing a position of inequity as compared with the privileges enjoyed by Italian traders in British territories, immediate steps should be taken through diplomatic channels to establish a position of equity either by a reduction of the privileges enjoyed by Italian traders in British territories or by a guarantee from the Italian Government that British subjects would be no less privileged when trading in Italian territories than Italian traders were when operating in British territories.

PUBLIC HOLIDAYS.

General Election.

(*See Reports*, 1923, *Vol. I, page* 243 ; 1930, *Vol. I, page* 244.)

The Government of Bombay declared Monday, 15th February and Wednesday, 17th February, 1937, to be public holidays under the Negotiable Instruments Act on account of the general elections to the Bombay Legislative Assembly. As the above days were not close holidays at the Docks the Committee of the Chamber did not declare them to be holidays under Charter Parties.

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members :—

Dhanbad Exhibition, 1st to 21st February 1937.

Swiss Industries Fair, Basle, 3rd to 13th April 1937.

Fifth All-India Exhibition, Delhi, 27th February to 5th April 1937.

All-India Exhibition of Printing and Allied Industries and Printers' Conference, Poona, 7th March to 11th April 1937.

Poona Industrial Exhibition, 7th March to 11th April 1937.

International Industries Fair, Poznan, 2nd to 9th May 1937.

International Exhibition of Paris, May to November 1937.

Netherlands Indies Annual Fair, Bandoeng, Java, 26th June to 11th July 1937.

Canadian National Exhibition, Toronto, Canada, 27th August to 11th September 1937.

International Samples Fair at (1) Brussels, Belgium, 7th to 21st April 1937 ; (2) Utrecht, Holland, 8th to 17th September 1937.

World Two-Way-Trade Fair, New York City, 10th to 22nd May 1937.

Budapest International Fair, Budapest, 30th April to 10th May 1937.

18th International Milan Fair, Milan, 12th to 27th April 1937.

7th International Fair, Smyrna, one month from 20th August 1937.

Empire Exhibition, Scotland, Bellahouston Park, Glasgow, May to October 1938.

International Fair, Izmir, Turkey, 20th August to 20th September 1937.

New York World's Fair, 1939.

All-India Exhibition of Arts and Industries, Punjab, Lahore, 6th December 1937 to 22nd January 1938.

Third World Advertising Convention, Paris, 5th to 10th July 1937.

International Industries Fair, 1937, Ahmedabad, 14th October to 14th November 1937.

New Zealand Centennial Exhibition, Wellington, November 1939 to May 1940.

Mysore Dasara Exhibition, Mysore City, October 1937.

British Industries Fair, London, 21st February to 4th March 1938.

Eighth Jammu and Kashmir Exhibition, Srinagar, 30th August to 19th September 1938.

18th Brussels International Industrial Fair, 13th to 27th March 1938.

All-India Industrial Exhibition, Delhi, 22nd February to 8th April 1938.

19th Annual Industrial Fair, Bandoeng, Java, 25th June to 10th July 1938.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1937.

Central Legislature.

I. Agricultural Produce (Grading & Marking).
III. Land Customs (Amendment).
IV. Indian Income-tax (Amendment).
V. Indian Lac Cess (Amendment).
VI. Arbitration (Protocol and Convention).
VII. Workmen's Compensation (Amendment).
X. Indian Electricity (Amendment).
XI. Indian Boilers (Amendment).
XIII. Indian Tea Cess (Amendment).
XIV. Indian Limitation (Amendment).
Indian Finance.
XXI. Indian Tariff (Amendment).
XXII. Payment of Wages (Amendment).
XXIII. Petroleum (Berar Extension).
XXIV. Rules and Regulations Continuance.
XXV. Federal Court.
XXVII. Indian Tariff (Second Amendment).
XXVIII. Indian Securities (Amendment).
XXIX. Indian Mines (Amendment).

BOMBAY PROVINCIAL LEGISLATURE.

I. Bombay Legislature Members (Removal of disqualifications).

II. Bombay Legislative Council (President and Deputy President) and the Bombay Legislative Assembly (Speaker and Deputy Speaker) Salaries.

III. Bombay Legislature Members' Salaries and Allowances.

IV. Bombay Ministers' Salaries.

V. Bombay Weights and Measures.

VI. Indian Limitation (Bombay Amendment).

CHAMBER'S ACCOUNTS.

In presenting the Chamber's Accounts for the year 1937, the Committee are pleased to be in a position to report an excess of income over expenditure for the year of Rs. 27,160. During the years 1930-33 inclusive, the Chamber was compelled to draw upon its accumulated reserves to the extent of Rs. 38,532 to meet the deficits during those three years. During the succeeding three years, 1934-36, although no losses on the years' working were recorded, the excess of income over expenditure for the three years amounted only to Rs. 9,080.

Receipts from statistical returns during 1937 again show a decrease. Compared with 1936, this decrease amounts to Rs. 529 whilst subscriptions from members to the special statistics show a small increase of Rs. 170. A total loss to the Chamber on the preparation of statistical returns during 1937 amounted to Rs. 7,404 as against Rs. 6,367 in the previous year.

Measurement fees on the other hand show a welcome increase of Rs. 9,697 and the amount realized from weighment fees was Rs. 6,954. In view, however, of the increased amount of work in the Measurement Department and the weighment of certain export cargo being undertaken, it was found necessary to increase the staff in this Department during the year, and the expenditure of the Department shows an increase of Rs. 7,238.

The fees realized from certificates of origin show an increase of Rs. 8,594 over those of the previous year.

As is recorded elsewhere in the Report, the sepoys and hamals on the Chamber's staff were permitted to participate in the Chamber's Provident Fund as from 1st July 1937. The total amount of the Chamber's contribution on this account in all Departments for the half-year amounted to Rs. 605.

G. H. COOKE, *President.*
R. W. BULLOCK,
Member of Committee.
C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY. 21*st February* 1938.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Balance Sheet as at 31st December, 1937.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Outstanding Bills—		
Bills in respect of Chamber's History, Wheel Tax, Audit Fee, Re-Testing for Tonnage, Weighment Expenses, Miscellaneous Printing, etc...	....	6,053 12 0
Advance Receipts—		
Subscription to Publications ..	116 10 8	
Subsoription to Special Statistics	20 0 0	
Arbitration Fees and Stamp Duty in connection therewith	125 0 0	261 10 8
Chamber of Commerce Accumulated Fund—		
Balance on 31st December 1936	1,37,085 14 5	
Add—Excess of Income over Expenditure as per annexed Account, subject to Income Tax for the fiscal year 1938-39 ..	27,160 12 11	1,64,246 11 4

ASSETS.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Office Furniture—			
Estimated value as on 31st December 1928		7,860 0 0	
Additions up to 1936		6,330 9 0	
Additions during the year		423 4 0	
		14,613 13 0	
Less—Sale Proceeds up to 1935		335 0 0	
		14,278 13 0	
Less—Depreciation written off in :—			
	Rs. a. p.		
Previous years	9,801 12 6		
This year	1,203 15 2		
		11,005 11 8	3,273 1 4
Statistical Furniture—			
Cost to 31st December 1936		3,575 4 0	
Additions during the year		72 8 0	
		3,647 12 0	
Less—Depreciation written off in :—	Rs. a. p.		
Previous years	2,137 4 0		
This year	899 1 0		
		3,036 5 0	611 7 0
Measurement Furniture—			
Cost to 31st December 1937		78 0 0	
Less—Depreciation written off this year..		3 4 0	74 12 0
Office Motor Car—			
Cost of new car purchased during the year		3,600 0 0	
Less—Depreciation written off for five months at 25 per cent.		375 0 0	
		3,225 0 0	
Less—Surplus on sale of old car appropriated for writing down the cost of the new car :—			
Cost of old car	2,979 0 0		
Less—Depreciation written off in :— Rs. a. p.			
Previous years .. 2,234 0 0			
This year for 7 months at 25 per cent. .. —434 9 4			
	2,668 9 4		

			Less—Sale proceeds	310 6 8 1,600 0 0		1,289 9 4		1,935 6 8
			INVESTMENTS.	Value on 31st December 1937		Cost Price.		
				Rs. a. p.		Rs. a. p.		
			5 per cent. 1939-44 Loan for Rs. 85,300 .	89,565 0 0		82,314 8 0		
			5 per cent. Government Income Tax Free Loan 1945-55 for Rs. 71,000 ..	85,555 0 0		71,000 0 0		
				1,75,120 0 0				
			Less—Appreciation	21,805 8 0				
				1,53,314 8 0		1,53,314 8 0		
			40 Shares in Bombay Telephone Company, Limited ..			1,730 0 0		1,55,044 8 0
			Interest accrued on Investments			....		2,401 11 0
			Statistical Subscription—outstanding (since received) ..			....		144 0 0
			Sundry Bills recoverable (since received)			....		62 10 0
			Stock of Chamber's History..			....		800 0 0
			Advance Payments—					
			Cash in Transit Insurance Premium applicable to next year			....		54 12 0
			Deposit with Government of India Publication Branch ..			....		100 0 0
			Cash and Other Balances :—					
			In hand			85 12 0		
			With the Imperial Bank of India, Bombay, Current Account			5,974 2 0		
								6,059 14 0
Total Rs. ..	....	1,70,562 2 0	Total Rs. ..			....		1,70,562 2 0

G. H. COOKE,
President.

R. W. BULLOCK,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 21*st February* 1938

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1937.* *Cr.*

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To—			By—		
Subscription to Weather and Crop Reports	51 0 0		Membership Subscriptions 1936	42 14 0	
Membership Subscription to the Federation of Chambers of Commerce of the British Empire	28 13 0		Membership Subscriptions 1937	70,560 0 0	70,602 14 0
Membership Subscription to the Associated Chambers	640 0 0	719 13 0	Statistical Returns	29,548 2 4	
Chamber Office.			Special Statistical Returns	6,435 0 0	
Salaries	64,245 10 0		Statistical Miscellaneous Receipts	220 0 0	36,203 2 4
Rent	7,200 0 0		Measurement Fees	96,319 3 0	
Printing Miscellaneous Papers, Annual Report for 1936, etc.	4,299 2 0		Weighment Fees	6,953 11 0	
Advertisements	116 8 0		Miscellaneous Receipts	702 0 0	1,03,974 14 0
Books and Periodicals	694 1 3		Arbitration Fees	....	295 0 0
Stationery	1,416 6 6		Fees for issuing Certificates of Origin, etc.	....	14,166 0 0
General Charges	1,908 7 9		Fees for issuing Certificates of Refraction	....	370 0 0
Telephone Charges	468 0 0		Fees for issuing Force Majeure Certificates	....	25 0 0
Fire Insurance Premium	14 1 0		Miscellaneous Receipts	....	122 8 1
Cash in Transit Insurance Premium	39 0 0		Dividends	....	160 0 0
Contribution to the Provident Fund	4,520 0 11				
Law Charges	978 1 8				
Audit Fee	250 0 0				
Motor Car Upkeep	2,243 14 3				
Port Trust Ground Rent	100 0 0				
Furniture Depreciation	1,203 15 2				
Motor Car Depreciation	809 9 4	90,506 13 10			
Statistical Department.					
Salaries	19,672 3 0				
Statistical Typists' Salaries	4,534 0 0				
Cyclostyling Returns—Cost of Ink, Duplicating Paper, etc.	3,405 2 9				
Printing Returns	8,991 12 0				
Contribution to the Railways	1,957 8 0				
Books and Periodicals	28 8 0				
Stationery	944 8 6				
Petty Charges	415 0 3				

Contribution to the Provident Fund ..	1,949	8	0					
Furniture Depreciation	899	1	0					
Gratuities	810	0	0					
				43,607	3	6		
Measurement Department.								
Salaries (Measurement and Weighment)	60,160	2	3					
Printing Charges	385	4	0					
Stationery	170	12	9					
Telephone Rent	280	0	0					
Cost of repairs to Chowkies and Instruments	635	8	0					
Petty Charges	292	12	0					
Weighment—Labour and Scales ..	1,139	6	0					
Furniture Depreciation	3	4	0					
Contribution to the Provident Fund ..	4,586	14	8					
Pensions and Gratuities	260	0	0					
				67,913	15	8		
Travelling Expenses	54	4	0					
Interest on Overdraft	83	9	8					
Passage	1,945	7	6					
Addresses to Governors	300	0	0					
				2,383	5	2		
Chamber's History Amount written off.	1,688	8	10					
International Chamber of Commerce—Delegates Registration Fee	26	3	0					
Cost of re-testing Oilcake for Tonnage.	90	0	0					
				1,804	11	10		
				2,06,935	15	0		
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....			27,160	12	11		
Total Rs. ..	....			2,34,096	11	11		

Interest on Investments—								
Taxable	4,265	0	0					
Less—Income-Tax ..	625	8	6					
	3,639	7	6					
Tax Free	3,550	0	0					
				7,189	7	6		
Refund of Income-Tax for previous years.. ..	....			927	14	0		
Sale of Old Typewriter ..	....			60	0	0		
Total Rs. ..	....			2,34,096	11	11		

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1937, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(*a*) we have obtained all the information and explanations which we have required;

(*b*) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(*c*) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(*d*) in our opinion, books of account have been kept by the Chamber as required by S. 130 of the Indian Companies Act.

A. F. FERGUSON & CO.,
Chartered Accountants,
Registered Accountants.

BOMBAY, 21*st February* 1938.

G. H. COOKE,
President.

R. W. BULLOCK,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1937.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
By Balance at Credit of this account on 31st December 1936 ..	....	....	4,49,483 12 1
Add—			
Subscriptions received from Members	....	11,056 7 7	
Contributions paid by the Chamber of Commerce	....	11,056 7 7	
Interest received and accrued	....	19,288 4 8	
			41,401 3 10
			4,90,884 15 11
Deduct—			
Claims paid to Members (inclusive of interest)	....	66,147 13 2	
Non-refundable withdrawals (Rule 28 (4))	....	769 12 0	
Transferred to Lapses and Forfeitures account	....	1 14 8	
			66,919 7 10
To Balance at Credit of this Account on 31st December 1937 ..	....	....	4,23,965 8 1
Add—Lapses and Forfeitures Balance as at 31st December 1936	....	10,115 2 5	....
Additions during the year :—	....		
Profits on sale of Investments transferred	994 13 0		
Forfeiture	1 14 8		
		996 11 8	11,111 14 1
	—		4,35,077 6 2

Held thus—

INVESTMENTS.	Face Value.	Market value on 31st December 1937.	Cost Price.	
	Rs.	Rs. a. p.	Rs. a. p.	
2¾ per cent. 1948-52 Loan	10,000	10,031 4 0	10,187 8 0	
3 per cent. C. P. & Berar, 1952 Loan ..	7,000	6,938 12 0	6,930 0 0	
3 per cent. Madras, 1952 Loan	6,000	5,962 8 0	5,940 0 0	
3 per cent. N. W. Frontier, 1952 Loan ..	7,000	6,938 12 0	6,930 0 0	
3 per cent. 1951-54 Loan	7,500	7,687 8 0	7,293 12 0	
3½ per cent. 1947-50 Loan	87,300	92,865 6 0	85,977 0 0	
4 per cent. 1960-70 Loan	1,11,500	1,26,900 15 0	1,10,576 2 0	
4½ per cent. 1955-60 Loan	26,000	31,005 0 0	24,415 0 0	
5 per cent. 1939-44 Loan	70,700	74,235 0 0	64,241 14 0	
5½ per cent. 1938-40 Loan	90,600	92,978 4 0	91,075 8 0	
	4,23,600	4,55,543 5 0	4,13,566 12 0	
Less—Appreciation in value of the above Securities		41,976 9 0		
	4,23,600	4,13,566 12 0	4,13,566 12 0	
Interest accrued on Investments		....	5,165 8 4	
Amount due by Members		....	1,438 0 0	
Cash with the Imperial Bank of India, Bombay, on Current Account		....	14,907 1 10	
				4,35,077 6 2

Examined and found correct.

A. F. FERGUSON & CO.,
Chartered Accountants,
Registered Accountants,
Auditors.

G. H. COOKE,
President.

R. W. BULLOCK,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 21*st February* 1938.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1937

CORRESPONDENCE, DOCUMENTS AND STATISTICS

BOMBAY:
G. CLARIDGE AND CO., LTD.
1938

FAREWELL ADDRESS TO HIS EXCELLENCY THE LORD BRABOURNE.

To His Excellency The Right Honourable The Lord Brabourne, G.C.I.E., M.C., Governor of Bombay.

MAY IT PLEASE YOUR EXCELLENCY,—We are assembled here to-day on behalf of the members of the Bombay Chamber of Commerce to bid farewell to Your Excellency on your departure. Less than four years have passed since our predecessors had the honour of presenting an address of welcome on your arrival in India and unkind circumstances have now deprived us of the benefits of the last year of Your Excellency's term of office as Governor of this Presidency. You have shown an understanding of our local conditions and problems unsurpassed by any of your predecessors and, while recognizing the wider interests which you have been called upon to serve, we in this Presidency can only deplore that Your Excellency must leave us at a time when we stand in most need of your experience and guidance.

During Your Excellency's term of office a momentous constitutional change has taken place. When Provincial Autonomy was inaugurated in April this year and the majority party refused to take office, it was largely owing to the confidence and devotion with which Your Excellency had inspired all classes in the Presidency that an alternative Ministry was at once formed in spite of the difficulties and uncertainty of the position which had arisen. Only recently the Congress Party have declared their willingness to accept office, and again we feel that tribute is due to Your Excellency's public announcement of your readiness to co-operate with and assist the new Ministry on a basis of understanding and sympathy in working for the welfare of this Presidency.

The period of Your Excellency's term of office has been one of continous improvement in many directions. On recent occasions when communal feeling has been in evidence the maintenance of law and order has benefited by your firm

and tactful handling of the situation. The bold innovation of appointing a Labour Conciliation Officer which Your Excellency was mainly instrumental in putting into force has minimised serious labour disputes which for years previously had inflicted untold sufferings upon the working classes of the City and had threatened permanently to injure the textile industry. You have discouraged unhealthy speculation on the stock markets, and thanks to Your Excellency's support of legislative measures to abolish the cotton duty and your advocacy of the cause of Bombay with the Government of India, the diversion of commerce, and the cotton trade in particular, from Bombay to ports outside the Presidency has been largely arrested.

There has been evidence of a slow but steady revival in trade manifested by the improvement in the finances of the Port Trust and the Railways and, by the intensive building activity in Bombay which has not only resulted in the betterment of housing conditions for all classes, but has initiated the development of the Back Bay Reclamation land which for years has been a burden on the Finances of the Presidency.

We gratefully acknowledge Your Excellency's sympathetic interest in the affairs of our Chamber and your willingness to offer advice and assistance whenever our representatives have approached you. During your term of office our Chamber has celebrated its Centenary and we take pride that Your Excellency's gracious patronage is recorded in a foreword to the History of the Chamber which has recently been published.

We desire to express our warm gratitude for the unselfish devotion which Lady Brabourne has extended to the many charitable and philanthropic institutions established in the Presidency. The loss of her gracious personality in our social life will be deeply felt by all classes.

In taking leave of Your Excellency and Lady Brabourne we find consolation in the fact that Your Excellency's

invaluable services are still to be available to this country for a longer period than might otherwise have been the case and we wish you all possible success in the arduous duties which you are about to undertake in the highly responsible office to which His Majesty has been pleased to call you.

In the name and on behalf of the members of the Bombay Chamber of Commerce,

G. H. COOKE, *President.*
A. MCINTOSH, *Vice-President.*
R. W. BULLOCK,
W. M. PETRIE,
E. C. REID,
F. STONES,
J. R. D. TATA,
G. S. TAUNTON,
G. J. H. WALLS,
} *Members of the Committee.*
C. H. C. MUNROE, *Acting Secretary.*

BOMBAY, *September 14th*, 1937.

His Excellency The Lord Brabourne, in reply, said:—

MR. COOKE, AND GENTLEMEN,—I am very glad to have this opportunity of meeting you once again before I leave Bombay. You have alluded very kindly to what I have done and what I have tried to do in commercial and industrial matters in Bombay and I should like to tell you, before I go, how much I appreciate the understanding and co-operation with which you have always met me. There is not much which a Governor can do, by order, in the commercial world, but by suggestion and the giving of a lead to public feeling he can, I think, be of considerable use, and it is in this connection that I have always valued your reasoned criticism and your readiness to help.

I am glad that you appreciate the necessity of strong and effective action to deal with riots and disturbances. I am convinced that no progress can occur unless there is

not only peace and order but public confidence that peace and order will be maintained.

The appointment, by Government, of a Labour Officer aroused considerable criticism at the time, and it is encouraging to find that the results have not only justified the appointment but achieved general recognition of its value.

A great deal of time and thought has been given to the problem of share speculation and I hope you are correct in your opinion that what has been done will lead, in the end, to a decrease of speculation and a healthier atmosphere in the share market. This is a matter in which you are vitally interested since the failures which necessarily follow on wild gambling interrupt the steady conduct of business which leads to prosperity. I therefore trust that many of the recommendations made by the Morison Committee will, eventually, be put into force.

During the past two years progress has been made in disposing of the Back Bay Reclamation area. We cannot hope to get back the full cost of providing this additional area for the growth of the City, but we have already reduced, by a large figure, our indebtedness on this account and are still reducing it. Whatever its disadvantages, this Reclamation has given Bombay a magnificent promenade which serves as a place of recreation every evening to thousands of its citizens.

You have spoken in very appreciative terms of Lady Brabourne's work for the women and children of Bombay and I know how pleased she will be to receive your message. I know how much she has enjoyed these four years in Bombay and with what regret she said goodbye to you all five months ago.

I have made no secret of my own feelings at leaving Bombay, but both Lady Brabourne and I are very glad to have the opportunity of further service in India. I shall take with me very happy memories of these years here which

have been my initiation to India and have brought to me a number of interests and of personal contacts which it is now difficult to believe were unknown to me four years ago. These personal contacts, in particular, I value very highly and I trust that, if any of your members have occasion to come to Calcutta when I am there, they will not fail to make their arrival known to me so that I may keep in touch with my old friends from Bombay.

Once again, Gentlemen, let me thank you and your Chamber, sincerely, for your continued encouragement and support, and let me assure you, though I feel that no such assurance is necessary, that I will follow your fortunes, in the future, with as deep an interest as I have done during the last four years.

ADDRESS OF WELCOME TO HIS EXCELLENCY SIR ROGER LUMLEY.

To His Excellency The Right Honourable Sir Roger Lawrence Lumley, G.C.I.E., Governor of Bombay.

MAY IT PLEASE YOUR EXCELLENCY,—We, the Committee of the Bombay Chamber of Commerce desire, on behalf of the members of the Chamber, to offer a most cordial welcome to Your Excellency as Governor of the Bombay Presidency.

It was a source of great satisfaction to us when we learnt that His Majesty had been pleased to call to this high office one whose many previous services to the British Empire and whose wide knowledge and experience of British parliamentary procedure qualified him so eminently for high responsibilities.

Your Excellency assumes Office at a time when momentous constitutional changes have just taken place. Provincial Autonomy which was inaugurated last April has eventually resulted in the majority party taking office. The new constitution will call for wisdom at its head and a statesmanlike handling of the problems of Government. We

are under no misapprehension concerning the difficulties confronting you and your Ministers but we are also confident that in you as Governor the Presidency will enjoy the leadership of one careful to preserve fair and proper concern for all. We can assure Your Excellency that in the discharge of your duties you will receive the full and loyal support of this Chamber.

Bombay is not only the largest and best equipped Port in India, but is also the point of contact between India and the great trade route between the Eastern and Western Hemispheres. There has been a steady improvement in the trade of the Port during the past two years, but a careful watch will have to be kept on the terminal charges and taxes levied upon the trade and commerce of the Port, if this improvement is to be consolidated, and the City is to avail herself fully of the advantages with which she has been endowed so bountifully by nature for the development of a great entrepôt trade. The City is the seat of many important Indian industries, the greatest among which is the Cotton spinning and weaving industry. Unfortunately the City's industrial development has suffered severely in the past from lack of adequate opportunities for employers and employees to settle such differences as have arisen between them, without resort to strikes and lockouts. The appointment by Government of a Labour Officer in 1934 has mitigated very largely the difficulties which obtained prior to that time, and we sincerely trust this system which has proved of such great benefit to worker and employer alike will be maintained, and if necessary developed further, until, in due time, the workers have found means of creating and directing organisations capable of safeguarding their own interests.

In the past we have taken pride in the fact that this Province has always been foremost in India in all matters pertaining to the development of commerce and the improvement in the standard of living for the masses. At the present time, however, we are concerned that the maintenance

and development of road communications, so essential to commerce and to the education and prosperity of all classes, have been allowed to fall below the standard set in a number of our sister Provinces. The recent appointment of a special Roads Officer, who will devote his undivided attention to the question of road communications is, we hope, but the first step towards a comprehensive scheme of road development and maintenance and the consequent opening up of rural districts.

We also desire to extend to Lady Lumley a very hearty welcome. That she will interest herself in the many benevolent institutions affecting the poor of the Presidency we have no doubt and we assure her that her interest will be recognised by full appreciation.

We would greatly appreciate Your Excellency's acceptance of a copy of the History of the Bombay Chamber of Commerce which has recently celebrated its centenary. This will show how close have been the relations between the Chamber and the Government of Bombay, and more particularly with Your Excellency's illustrious predecessors over many years, and we trust we may look forward to being honoured by Your Excellency's presence at our Annual Meetings, an honour regularly accorded to us by former Governors.

In the name and on behalf of the members of the Bombay Chamber of Commerce,

G. H. COOKE,	*President.*
A. MCINTOSH,	*Vice-President.*
R. W. BULLOCK,	*Members of the Committee.*
W. M. PETRIE,	
E. C. REID,	
F. STONES,	
J. R. D. TATA,	
G. S. TAUNTON,	
G. J. H. WALLS,	
C. H. C. MUNROE,	*Acting Secretary.*

BOMBAY, *November 9th*, 1937.

His Excellency Sir Roger Lumley, in reply, said :—

MR. COOKE, AND GENTLEMEN,—I am very glad to have this early opportunity of meeting you on arrival in Bombay for my first season here, and I thank you at once for your assurance of support to me in the discharge of my duties under the new conditions created by the new constitution.

I am aware of the importance of your Chamber in this great commercial city, through which the greater part of the trade of India with the West passes and, it is to be hoped, will always pass. I am glad to learn that in the past two years there has been a steady improvement in trade and that you are fully alive to the importance of keeping down taxation and charges on goods passing through so that they are not diverted to other ports. The recent abolition in the time of my predecessor of the town duty on cotton at considerable cost to Government and to the Municipality is, I think, sufficient proof of the readiness of Government and of all concerned to make sacrifices for the good of the City, and you may rest assured of my support to any action which may be necessary for the maintenance and improvement of Bombay's welfare.

In your address you have emphasized the effect of industrial peace on the prosperity of the City, and I am glad that you have appreciated the value of the work of the Labour Officer in settling disputes and removing grievances as they arose, and I note your hope that this system will be maintained and developed until organisations representing the workers have grown sufficiently to enable them to safeguard their interests. I personally, attach the greatest importance to the preservation of industrial peace. I am convinced that neither workers nor employers gain by continual outbreaks of industrial warfare. The general public, though ready, I am sure, to extend its sympathy to any cause where sympathy can justly be invoked, is also a sufferer when industrial strife occurs. Moreover, any city which gains for itself a reputation for being repeatedly subject to strikes and lockouts will inevitably find

commerce and industry—with the wages, profits and wealth which they produce—migrating to more peaceful centres. It is, therefore, a vital interest to the whole community that a system for the peaceful settlement of industrial differences should be established so that industrial peace may be confidently expected.

I am very glad that the Ministry is devoting its active attention to this important question. Their task is not an easy one. On the one hand, that there is room for great improvement in labour conditions admits of no doubt: on the other, it has to be recognised that this improvement must keep pace with the capacity of industry to bear it; if that were ignored, industry, instead of developing, would move elsewhere, and that would benefit no one, neither workers nor employers, in Bombay. To reconcile these factors will be a difficult task, but I am confident that it can be done if the Ministry obtain the co-operation of all concerned. I trust that this co-operation will be forthcoming in full measure, and I hope, too, that the general public, whose interest in this matter is certainly no less than that of either side, will give its support to honest efforts to arrive at methods for the peaceful settlement of disputes.

I have already become aware of the unsatisfactory condition of many of the roads in the Presidency. This is chiefly a matter of finance, and improvement must necessarily be slow and limited by the funds available. As evidence, however, of Government's desire to improve roads as far as resources permit, I would point to the fact that 3¼ lakhs of rupees have been spent during the past year on approach roads to villages, and arrangements have been made to speed up the execution of petrol tax works so that there will be no accumulated balances lying idle.

A notable feature of the history of the Chamber has been its broad and reasonable outlook towards public questions and its success in co-operating with other authorities. Difficult matters affecting commerce and industry —such as, for instance, provincial and local taxation—

are certain to arise in the future. Bodies like your Chamber of Commerce represent a pool of specialised knowledge on such matters, and I hope the advice of the Chamber will always be available in the same spirit of helpfulness to Government and to myself as it has been in the past.

In conclusion, I would like to thank you for the copy of the History of the Chamber which you have so kindly offered to me. It will interest me very much to make a closer acquaintance with the Chamber's past doings.

On behalf of Lady Lumley and myself, I thank you for the very kind welcome to Bombay which you have extended to us both.

PROPOSED ALL-INDIA INDEX NUMBER OF WHOLESALE PRICES.

Letter No. 3572/106, dated 29th October, 1937, from the Bombay Chamber of Commerce to the Dy. Director, Statistical Research Branch, Department of Commercial Intelligence and Statistics, New Delhi.

In reply to your letter No. 339 S.R. of the 14th April 1937, I am desired to state that the list of commodities forwarded by you, in respect of which you require quotations, has been very carefully examined by a special Sub-Committee of this Chamber and as a result of their deliberations I am to submit the following comments. In considering what might be taken as representative standards for each of the commodities, the following tests have been applied :—

(*a*) That its price should move consistently with that of other members of the same commodity group or the majority of them.

(*b*) That it should be in popular demand.

(*c*) That it should, taken in the aggregate, represent a considerable proportion of the trade in that commodity.

(*d*) That it should be truly representative in character.

In a number of cases it was found that no single member of the commodity group could be said to be by itself representative and in such cases it is recommended that several members of the group should be adopted as standard. These

when taken together are in the opinion of my Committee representative and satisfy the tests applied. In this connection I am desired to draw your attention to the fact that in such cases the standards recommended are not alternative.

For the reason that Bombay is not a principal market or that no member of the Chamber appears to be engaged in the trade and price quotations are not readily available, we do not recommend representative standards for the following commodities :—

Serial No.	9.	(*d*) Rape Seed and Mustard.
		(*f*) Copra.
,,	,, 10.	Hides and Skins.
,,	,, 12.	(*a*) Castor Oil.
		(*d*) Mustard Oil.
,,	,, 13.	(*a*) Iron Ore.
		(*c*) Wolfram Ore.
		(*d*) Pig Lead.
,,	,, 18.	Tobacco, unmanufactured.
,,	,, 19.	Spices—
		(*a*) Chillies.
		(*c*) Ginger.
		(*d*) Betelnuts.
		(*e*) Cardamoms.
,,	,, 22.	Dyeing and Tanning Substances.
,,	,, 29.	Tamarind.
,,	,, 30.	(*a*) Raw Silk.
		(*b*) Silk Yarn.
		(*c*) Silk Piecegoods.
,,	,, 32.	(*a*) Indian Raw Wool.
		(*e*) Other woollen manufactures.
,,	,, 33.	Hosiery.
,,	,, 35.	(*d*) Lead.
		(*e*) Tin.
		(*g*) German Silver.
,,	,, 37.	(*c*) Cycles, Motor.
		(*d*) ,, Ordinary.
,,	,, 44.	Salt.

In the case of Serial No. 13(b)—Manganese Ore, although certain quantities are exported there is no real market in Bombay and it will only be possible to quote the prices ruling in, say, the United Kingdom. This item, therefore, has also been omitted.

I am desired to draw attention to Serial No. 39 of the list of commodities. The sub-heading "Lubricating Oil" will have to be further analysed since there are two distinct and separate classes of lubricants, motor and industrial, each with its own market. My Committee are able to recommend for adoption a standard for Motor lubricating oil but the difficulty of determining a standard for industrial lubricating oils appears to be insoluble. The difficulty is not inherent in the commodity itself, although there are a great many kinds and qualities according to the multifarious purposes for which they are used but arises out of the special conditions under which it is sold. There is no "list" price since the oil is usually sold direct to the consumer under contract and, as far as my Committee are able to judge, the price is determined by competition and the state of the supplier's "book." As far as my Committee can ascertain, there is scarcely even a hypothetical price for industrial lubricants, and the oil companies are unable to say, without knowledge of all the circumstances, at what price they might be prepared to sell a particular oil.

After due consideration my Committee recommend the adoption of the following standards. It is essential that the complete specification should be carefully recorded in each case to ensure accuracy for the future. The complete specification is not yet available in all cases. That will, as far as possible, be done before the scheme begins to operate.

6. *Rice*	.. .. ..	KSMS, per cwt.
7. *Wheat*	.. .. ..	White Pessy, 85 per cent. per cwt.
8. *Cereals*—		
(*a*) Gram	.. ..	Red, per cwt.
(*b*) Lentils	.. ..	Bold, per cwt.
9. *Oilseeds*—		
(*a*) Groundnut	.. ..	Bombay, bold, per cwt.
(*b*) Linseed	.. ..	Bold, per cwt.
(*c*) Castorseed	.. ..	F.A. Small Hyderabad quality, per cwt.
(*e*) Sesamum	.. ..	White, bold, 85 per cent. per cwt.
(*g*) Cottonseed	.. ..	Per cwt.

12. *Oils, Vegetable*—		
(*b*) Groundnut Oil	..	Raw filtered F.A.Q., per maund of 28 lbs., ex-mill.
(*c*) Cocoanut Oil	..	Do. do.
(*e*) Other Oils—		
(*i*) Gingelly	..	Do. do.
(*ii*) Linseed	..	Do. do.
19. *Spices*—		
(*b*) Pepper ..	..	Alleppy black ungarbled, per candy of 21 maunds (588 lbs.).
20. *Bran*	..	Anchor Brand, per bag of 140 lbs. ex-mill.
Pollard	..	Do. do.
28. *Ghee*	..	Porebunder.
31. *Artificial Silk*—		
(*a*) Yarn ..	..	Japanese 150 den "A" Golden 3 Horses, per lb.
(*b*) Piecegoods ..	..	Japanese Crepe 36″ Dress, printed, per piece.
		Japanese Georgettes 44″ Sarie, printed, per piece.
		Japanese Sateen 26″, per piece.
32. *Wool*—		
(*b*) Imported Raw Wool	..	45s Bradford Wool Tops.
(*c*) (*i*) Locally manufactured yarn ..	..	2/16s Scoured yarn in hanks.
(*ii*) Knitting Wool	..	4/7s Berlin Wool, dyed.
(*d*) Piecegoods ..	..	Japanese Mousseline-de-Laine No. 40.
35. *Other Metals*—		
(*a*) Aluminium ..	..	Circles, 98/99 per cent. 20G or thicker, per lb. ex-godown.
(*b*) Brass	..	Ditmann YM Sheets, 4′×4′, average 28 lbs., per cwt. bazaar delivery.
(*c*) Copper	..	German Sheets, 4′×4′, average 28 lbs., per cwt. bazaar delivery.
(*f*) Zinc	..	P. H. Geische, in slabs of about 22 lbs., per cwt. bazaar delivery.
36. *Machinery and Millwork*—		
(*a*) Ring Spinning Frame	..	400 Spindles, 2⅝″ gauge 5″ lift, of Howard & Bullough manufacture.
(*b*) Loom	..	Plain Calico Loom, 40″ reed space, of Livesey manufacture.

	(*c*) Ring Bobbins	5″ lift 6½″ overall enamelled, with brass shield of H. I. Dixon manufacture.
	(*d*) Leather Belting	3½″ width, of J. H. Fenner Eagle Brand make.
	(*e*) Electric Motor	Variable speed, 3-phase commutator, motor developing 4.5/10.5 H.P. at 550/1300 r.p.m.
37.	*Vehicles*—	
	(*a*) Motor Cars	5 passengers, 4 doors, de luxe touring Sedan, 29.4 H.P., 112 W.B.
	(*b*) Omnibuses	Utility Truck Chassis, single rear, 29.4 H.P., 131″ W.B.
	(*e*) Motor Tyres and Tubes—	
	(*i*) for trucks, 32 × 6 per each.	
	(*ii*) for cars, 5.50 × 17 per each.	
	(*f*) (*i*) Cycle Tyres, 28 × 1½ per each.	
	(*ii*) ,, Tubes, ,, ,,	
38.	*Hardware*—	
	Nails	S.S. 1½″ to 6″ average.
39.	*Mineral Oils*—	
	(*a*) Kerosene	Per 8 Imp. gallons in bulk.
	(*b*) Petrol	Per Imp. gallon.
	(*c*) Fuel Oil	Diesel Oil, per ton in bulk.
	(*d*) Lubricating Oil—	
	(*i*) Motor	Mean per gallon of 1 × 12 and 12 × 1 excluding all discounts and offtake rebates.
		Heavy Bus Oil (Red), per gallon, excluding all discounts and offtake rebates.
	(*ii*) Industrial	See Note above.
41.	*Provisions*	Full Cream Sweetened Condensed Milk, per case of 48 size I tins.
		Biscuits, per bag of 40 lbs.
		(Also probably)
		Glaxo, Quaker Oats, Sago } See Note.
43.	*Liquors*	Scotch Whisky, 24.8° u.p., per case of 12 reputed quarts.
45.	*Dyes*	Congo Red, 100 per cent.
		Alizarine Paste, 20 per cent.
		Sulphur Black Conc.

		Indigo, 60 per cent. Grains.
		Rhodamine "B" Extra, 500 per cent.
		Metanil Yellow Extra.
		Direct Black "E" Extra Conc.
		All per lb. f.o.r. at port in 112 lbs. packing.
46. *Glass and Glassware* ..	..	Window Glass, 16/18 ozs. up to 40 united inches, per 100 square feet.
47. *Tobacco, manufactured*	..	Capstan Navy Cut.
50. *Chemicals*	..	Sodium Carbonate, light soda ash 58°, packed in 1 cwt. bags.
		Refined Italian Roll Sulphur, packed in 1½ cwt. bags gross.
		Bleaching Powder, 35/37 per cent., packed in 3 cwt. drums.
51. *Drugs and Medicines*..	..	Quinine Bisulphate Powder.
		Aspirin Powder.
		Sodium Salicylate.
		Potassium Iodide.
		,, Citrate.
		Bismuth Carbonate.
		Potassium Bromide.
		Magnesium Carbonate.
		Iodine Crystals.
		All per lb.

It will be observed that complete information is not provided against Serial No. 41—Provisions. My Committee are of opinion that the standards recommended are representative but their inquiry is scarcely yet complete. I am to advise you therefore that my Committee propose to address you again on the subject of Provisions as soon as more complete information is available.

THE INDIAN COMPANIES ACT.

Letter No. 2732/228, dated 26th August 1937, from the Bombay Chamber of Commerce to the Secretary to the Government of India, Department of Commerce, Simla.

My Committee understand that the Government of India has circulated to Provincial Governments a " Summary

of Proposals received for further amendment of the Indian Companies Act."

2. It is further understood that the Government of Bombay is not proposing to circulate this document for the opinion of commercial bodies. The document has, however, been circulated by the Government of Bengal to commercial bodies in that Province and a copy has been received by my Committee through the good offices of the Bengal Chamber of Commerce. In these circumstances my Committee desire to address the Government of India direct upon the matter.

3. I am therefore desired to forward to you the accompanying Memorandum. In Part I of this Memorandum are set out my Committee's observations on all the Sections of the Act referred to in Government's above-mentioned Summary. In Part II are set out my Committee's views on the amendment of a number of Sections not referred to in Government's Summary but which in my Committee's opinion urgently require amendment.

4. I am desired to enumerate the Sections which in my Committee's opinion require immediate amendment. These are as follows viz :—

Sections 17, 34, 78, 79(1)(*a*) and (*e*), 86F, 86-1, 87C, 87D(5), 90, 91A(3), 91D(2), 105C, 109, 130(2), 144(5) (*iv*), 277(5), 277D, 277E, 277F(2), 282B(2).

Regulations of Table A 56, 71, 77, 78-82, 112(2), 116.

5. Some of the above sections are referred to in Government's Summary and some are not. In some cases, where the Section is referred to in the Summary, the points mentioned by Government for amendment are the same as those which my Committee would recommend, but in other cases my Committee would propose different or additional amendments. The views of my Committee are in all cases set out in relation to the appropriate Section in Part I or Part II of the Memorandum as the case may be.

6. The Sections set out above are those which, in my Committee's opinion, urgently require amendment. There are a number of other points on which my Committee is reserving its opinion until further experience of the working of the Act has been gained.

Memorandum by the Bombay Chamber of Commerce in regard to further amendment of the Indian Companies Act, 1913.

PART I.

Observations on the Sections of the Act referred to in the Summary of proposals for further amendment circulated by Government.

Section 2(2) (*a*).—There is no objection to the suggested amendment.

Section 17(2).—The proposed reconciliation of Section 79-1(c) and Regulation 56 of Table A is approved.

The other amendments of Section 17 suggested in the Report of Sir Nowroji Saklatvala's Committee (hereinafter referred to as " the Saklatvala Report ") of which a copy is already before Government, should be adopted.

Section 79-1 (*b*).—It is not considered that any amendment is necessary.

Section 79-1 (*e*).—The conflicts mentioned should be reconciled.

Further the fundamental ambiguity pointed out by the Saklatvala Report in regard to the construction of this Sub-section should be resolved.

Section 83*A*.—The proposed amendment is approved.

Section 83*B*(2).—The proposed amendment is approved.

Sections 86*A and* 86*B*.—Approved.

Section 86*H* (*a*).—It is considered that the meaning is clear as it stands. The phrase, " the undertaking of the Company," is well understood by lawyers to refer to the business, goodwill, and assets of a Company in their entirety

and cannot logically or grammatically be constructed as meaning a part only of such business, goodwill, or assets.

Section 86-1(1) (*a*).—The correction should be made.

Further the ambiguity as between Section 86E and Section 86I(1) (*e*) referred to in the Saklatvala Report should also be cleared up.

Section 87*I*.—The suggestion is approved.

Section 91*A*(3).—The proposed deletion of this sub-section is strongly pressed.

The points raised by the Saklatvala Report on Section 91A should also be dealt with by amendment.

Section 93(1) (*d*).—The proposed amendment is approved.

Section 93(1) (*p*).—The propriety of the present wording depends on the true construction of Section 79(1) (*e*), the ambiguity in which has been pointed out in the Saklatvala Report.

Section 105*C*.—Amendment of this Section is very strongly urged.

The Section refers to a case "where the directors decide to increase the capital." But directors have no power to increase the capital. They may be able to increase the "issued capital" by the issue of existing but unissued shares. This may be the meaning of the Section.

The Section should be amended by substituting a Section in the terms of Regulation 42 of Table A as suggested in the Saklatvala Report, the observations in which regarding this Section are strongly supported.

The amendments suggested in Government's Summary are on minor points only and are inadequate.

Section 109(1) (*e*).—This amendment is approved. The other amendments to Section 109 recommended in the Saklatvala Report should be adopted and also the amendment of Section 123.

Section 123.—See the remarks on Section 109.

Section 132*A*(2).—The meaning of " qualification " is considered to be obvious.

The point as to subsidiary Companies abroad raises the question whether a foreign company can be a subsidiary or holding company within the meaning of the Act. The foot note to Form H also raises the question.

The question arises because the definition of " Subsidiary company " in Section 2(2) depends on the definition of " company " in Section 2(1) which excludes a foreign company.

It is suggested that Section 2(2) be amended as proposed in the Second Part of the Saklatvala Report.

The amendment to cover the case of a private company having no directors is essential.

Section 144(5).—The suggested amendments are strongly pressed and are regarded as urgently necessary.

An amendment in the terms suggested in the Second Part of the Saklatvala Report would meet the most pressing difficulties.

Section 145(2).—The proposed amendment is approved.

Section 146(1).—The proposed amendment is approved.

Section 171*A*.—The proposed amendment is approved.

Section 207(1):—The proposed amendment is approved.

Section 277*C*.—No opinion is expressed on this proposal.

Table A.

Regulation 55.—The conflict apparently envisaged in Government's Summary does not occur. A meeting which is adjourned continues in being and no fresh notice is required for its re-assembly. But the regulation provides that in certain cases i.e. where the adjournment is for more

than 10 days notice as for an original meeting should be given. There is no inconsistency here.

The inconsistency which can be found is that the notice for an original meeting must be of at least 14 days, which is impossible if the adjournment is for less. The Regulation may be amended to cover this difficulty.

Regulation 56.—See the remarks on Section 17.

Regulation 78.—See the remarks on Section 83B(2). It is considered that the group of Regulations 78-82 require amendment as proposed in the Saklatvala Report.

Regulation 95.—The proposed amendment of the Regulation is approved and is preferred to further amendment of Section 17 which is sufficiently involved in its wording already.

Regulation 106.—The proposed amendment is approved.

Regulation 108.—The proposed amendment is approved.

Regulation 109.—The proposed amendment is approved.

Regulation 116.—The proposed amendment is approved.

Form F.—From the point of view of affording information to shareholders, it might be desirable to show "Advances" as "secured" or "unsecured." But in practice the nature and value of securities for any advance vary so much that the proposal is not thought likely to serve any useful purpose. Would a security include a bare guarantee by a third party ? How far can an advance be said to be secured when the value of the security has depreciated ? It is considered that the form should be left unaltered : it will then be open to shareholders to regard all advances as unsecured and thus assume the worst in forming their judgment of the Company's position.

Form H. Section 277(3).—See the remarks on holding and subsidiary Companies in connection with Section 132A(2) above. The proposed amendment is approved.

PART II.

Sections considered to require immediate amendment but not referred to in Government's Summary.

Section 34.—As pointed out in the Saklatvala Report, there is a mistake in Sub-section (1) which refers to Sub-section (4) when Sub-section (7) is meant.

The provisions of the Section are calculated to create difficulties in the case of transfer of forfeited shares or shares subject to a lien or in the case of the scrip being lost.

The amendments proposed in the Saklatvala Report should be adopted.

Section 78.—Sub-section (1) is inconsistent with Section 79(2) (*a*) and the latter sub-section should be repealed.

Section 79(1) (*a*).—This is inconsistent with Regulation 49 of Table A. See the reference to this Regulation below.

Section 79(2) (*a*).—See the remarks on Section 78 above.

Section 86*F*.—For practical reasons this should be amended as suggested in the Saklatvala Report.

There is a conflict of legal opinion in Bombay as to whether the sanction required under this Section and also the sanction required under Section 87D(5) can be given by a general resolution authorising future contracts with or without restrictions as to price and terms under such contracts, or whether each contract must be sanctioned by a separate *ad hoc* resolution. The latter procedure would be inconvenient and the Sections should be amended to permit general resolutions.

The point was not dealt with in the Saklatvala Report although this referred to certain other points on the sections. Subsequent discussions have brought it to the fore in several actual cases.

Section 87*C*.—For the reasons set out in the Saklatvala Report, a definition of "depreciation" in Sub-section (3)

is very necessary. The Sub-section should be amended as proposed in the Saklatvala Report.

Section 87*D*.—See the remarks on Section 86F above. Moreover, as recommended in the Saklatvala Report, it should be possible to pass the Resolution by circular and the Section should be amended to that end.

Section 90.—This section is considered to be misleading and unnecessary for the reasons set out in the Saklatvala Report and should be repealed as there recommended.

Section 91*D*.—For the reasons set out in the Saklatvala Report this Section raises practical difficulties and should be amended as proposed in the second part of that Report.

Section 130(2).—This Sub-section is impracticable in the case of Companies having a branch or branches, as explained in the Saklatvala Report. The Section should be amended as proposed in the second part of that Report.

Section 277(5).—It is suggested that if the name of a Company to which Part X of the Act applies includes the word " Limited " as the last word thereof, the name of the Company should constitute sufficient notice that the liability of the members is limited and that Section 277(5) should be amended to make this clear.

Section 277*D and Section* 277*E*.—A doubt arises as to who is the Registrar for the purposes of Sections 109 to 125 inclusive as applied by Section 277D and Section 277E to Companies subject to Part X. Section 277D and Section 277E should be amended so as to define the Registrar for the said purposes.

Section 277*F*.—This conflicts with Section 277H and should be amended.

Section 282*B*.—Various difficulties arise on this section as set out in the Saklatvala Report and the section should be amended as recommended in that Report.

Table A.

Regulation 49.—See as to Section 79(1) (*a*) above. The regulation also conflicts with Regulations 112 to 116. It should be amended as recommended in the Saklatvala Report.

Regulation 71.—This should be amended for the reasons set out in the Saklatvala Report.

Regulation 77.—This should be amended to correspond with Sections 86E and 86I.

Regulation 112(2).—This will create considerable practical difficulty. Distance and differing modes of transport make it difficult in India to estimate the ordinary course of post. The Regulation should be amended as suggested in Part II of the Saklatvala Report.

Letter No. 3890/228, dated 2nd December 1937, from the Bombay Chamber of Commerce to the Secretary to the Government of India, Department of Commerce, New Delhi.

I have the honour to state that a copy of the Indian Companies (Amendment) Bill, 1937, with the Report thereon of the Select Committee has been under the consideration of my Committee and I am desired to transmit to you the following observations thereon.

1. My Committee see no objection to Sections 1 to 7 (inclusive), 9, 10, 12, 13, 14, 18 and 19 of the Bill.

2. Clause 8 of the Bill is stated in the Report of the Select Committee to be intended to remedy the difficulty experienced by Banks under Section 130 of the Indian Companies Act, and also by non-Indian Companies when the Section is applied to such Companies by Section 277E.

My Committee are of opinion that the new Sub-section (3) proposed to be inserted in Section 130 will not suffice to overcome the difficulty experienced by non-Indian Companies in complying with the provisions of Section 277E. That Section directs that such Companies shall keep the

books of account therein referred to at their principal place of business in British India. The suggested amendment to Section 130 providing what may be done in regard to the keeping of accounts at branch offices in the case of Companies solely governed by Section 130 will not, my Committee feel, override the provision of Section 277E that in the case of Companies governed by that Section the books are to be kept at the principal place of business. My Committee are further of the opinion that as regards the proposed amendment both of Section 130 and of Section 277E the intervals at which returns are made from branch offices should be fixed at 12 months instead of at 2 months as proposed.

3. In the opinion of my Committee Clause 11 of the Bill raises a question of principle of the very highest importance and my Committee desire to register a strong protest against the proposed amendment.

It is stated in the Report of the Select Committee that the object of the amendment is to remove in the cases contemplated the privilege attached to professional communications between legal advisers and their clients. My Committee are emphatically of opinion that any legislative measure designed to weaken the protection given to clients in regard to their unrestricted communications with their legal professional advisers is contrary to public interest. My Committee are unaware how long this rule has been in force in England but they have had their attention drawn to judgments delivered in England over one hundred years ago, which stress the importance of the principle involved and refer to it with the greatest approval. The doctrine received legislative approval in this country by Section 126 of the Indian Evidence Act.

My Committee feel that a Section in one Statute which has stood unassailed for over 65 years should not be weakened by the insertion of a Section in another Statute, unless for very good reason and they are of opinion that no such good reason has been shown.

No question can arise as to communications between a Director or other officer of the Company who consults the Solicitors of the Company on the Company's behalf. Such communications would not be privileged.

It is highly unlikely that a Director or other officer of the Company who wished to consult a Solicitor as regards his own position or course of action would, if the Bill is passed, consult the Company's Solicitor. If he consulted his own, and not the Company's Solicitor the privilege would still stand and the object of the section be frustrated. Surely it is better that the Director should place his difficulties before the Company's legal adviser, whose advice, if he felt he could in the position he occupied give any advice, would more likely protect the Company than that of a stranger.

Section 266(6) of the English Companies Act, 1929, omits the words at the commencement of Clause 11*b* and that Act contains, in Section 369, an express provision saving privilege in all cases of proceedings under the Act.

4. With regard to clause 15 of the Bill my Committee have no observations to offer on Sub-section (1). Sub-section (2), however, in the opinion of my Committee presents difficulties.

A Bank through its various branches may lend money to a number of customers all of whom may pledge, mortgage or assign by way of security to the Bank shares in the same Company. Although it is unlikely that any one branch would advance to customers an amount exceeding 40 per cent. of the issued share capital of the Company, the total of such shares so pledged, mortgaged or assigned and the number of separate and wholly independent transactions may exceed the amount specified in the proposed amendment. It is customary for Banks to render a detailed statement of advances to their Head Offices, while Branch returns are not rendered and it is only after consolidation of statements in Head Offices that the position would become

apparent. It would not be easy for a Bank carrying on numerous transactions in this way to ascertain from day to day whether it was or was not infringing the provisions of the amending sub-section.

It is not clear what the consequences of any breach of this Section will be.

My Committee therefore consider that the proposed Sub-section (2) to be inserted in Section 277M of the Act is likely to give rise to difficulties and will be practically unworkable. They therefore deprecate the amendment.

Section 277M, my Committee suggest, already adequately prevents the Bank from acquiring by outright purchase sufficient shares to control another Company.

5. With regard to Clause 16, my Committee's attention has been drawn to the fact that in a winding-up commenced before the 15th January 1937 and still proceeding steps may have been taken on the assumption that the Indian Companies (Amendment) Act, 1936 applied to such winding-up, and which would only be valid if the Act had applied.

The Clause of the Amending Act now under discussion would invalidate those steps, and it would be desirable to insert a saving in respect of them. It is not, however, felt that the point is of great practical importance.

6. With regard to Clause 17 of the Bill, my Committee have no observations to offer on paragraphs (*a*), (*b*), (*c*), and (*d*). With regard to paragraph (*e*), however, my Committee are of opinion that this is unsatisfactory.

The words proposed to be omitted are in fact the words which conclusively define which Members are to receive notices of General Meetings.

The result of Section 79(*b*), combined with Regulation 116, which is compulsorily applied to all Companies, is that notice of General Meetings need only be given to those Members who have registered an address within British

India or have supplied to the Company an address within British India for giving notices to them, and to persons claiming on the death or insolvency of such Members.

If the words now proposed to be omitted are omitted it will become necessary to give notices of General Meetings to other Members by advertisement under Regulation 113 Table A. This will be inconvenient.

The real object of the amendment is to remove the conflict between Regulation 116 and Section 145 (4): My Committee suggest that the best way to remove this conflict is simply to add at the end of Regulation 116 as it now stands the words "except as otherwise by law expressly provided."

INCOME-TAX ENQUIRY.

Letter No. 1590/93, dated, 24th May 1937, from the Bombay Chamber of Commerce to the Secretary, Central Board of Revenue, Simla.

I have the honour to refer to your endorsement on letter No. 52-I.T.*/37 of the 20th March, 1937, addressed to the Federation of Indian Chambers and Industry in which you requested that views on Part II (Administration) of the Income-tax Enquiry Report, 1936, might be submitted to you separately. The whole report is at present being considered by a special Sub-Committee of this Chamber who have not, however, completed their investigations into Part I, but as the Government of India are anxious to receive as early as possible the views of commercial bodies on Part II, I am desired to submit the comments of the Committee of this Chamber on that part now instead of waiting for the completion of their investigations into Part I.

Part II of the Report deals with the administration of the Act. It contains many criticisms of the methods employed at present and the recommendations put forward will, in the opinion of my Committee, go a long way towards improving the system and removing many of the

causes of friction between the Income-tax Department and assessees; while they will, at the same time, close several loopholes by which successful evasion is at present practised.

Chapter XIV—Assessments.

My Committee are in general agreement with the recommendations contained in Chapter XIV except that they are of opinion that when a Balance Sheet of a firm or private company is called for by the Income-tax Officer (Section 5(*a*) (Page 72), it should be provided for inspection only and should be returned to the Assessee, if requested, at the time, or latest, when the Assessment is made. My Committee are also opposed to the Income-tax Officers being given the statutory right to call for any particulars they like of payments to other parties. This might be intolerable in the case of a large company, e.g., an insurance company. The utmost that should be allowed, would be to permit the Income-tax Officer either to call for the production of the books or to send a clerk to the assessee's office to take out the required particulars.

My Committee do not agree with the recommendations of the Enquiry Committee in respect of the representation of assessees in Income-tax proceedings. My Committee are of opinion that Assessees should be allowed to be represented by whomsoever they choose, subject to a careful watch being maintained by the Inland Revenue Authorities and the equivalent of a black list being kept by them. My Committee understand that the question of restricting those allowed to appear on behalf of Assessees in England was raised a few years ago and was referred to representatives of the main practising accounting bodies. Their decision was against any restriction being placed on who could appear, the main reason being, my Committee are informed, that the fees payable would in many cases be out of all proportion to the income of the Assessee. If such be the case in England, it is surely much more so in India and

my Committee are definitely in favour of the policy hitherto followed by the Government of India, (as it is in England and other countries), of allowing income-tax payers to use whatever agency they please for the purpose of representing their cases.

There is a further point which my Committee desire to raise and which does not appear to have been touched on by the Income-tax Enquiry Committee and that is the question of costs in income-tax proceedings. It is usually urged by the income-tax authorities that costs incurred in income-tax proceedings subsequent to assessment cannot be considered as amounts expended for the purpose of earning the profits of the company and are usually disallowed. My Committee feel, however, that it should be laid down that any costs incurred by a successful litigant over and above what he receives from the other party should be allowed as a business expense.

Chapter XV—Appeals.

My Committee accept the recommendations of the Income-tax Enquiry Committee in regard to the establishment of Tribunals of Appeal subject to the reservation that the Tribunal should always consist of at least two members.

In regard to the recommendation under Section 5(*c*) my Committee consider that it should be specifically laid down that in cases where the Commissioner withholds refund he should be made to pay interest at the High Court Decree rate if he loses the appeal.

In this connection my Committee consider that in any case where tax has been demanded and paid and subsequently either on appeal or revision a refund of tax has been made interest should be payable to the assessee on the amount so refunded.

Chapter XVI—Control and Supervision.

The recommendations contained in this Chapter relate to the internal management of the Department. They do

not really concern the members of the Chamber but my Committee are in favour of them as they appear to be quite sound.

CHAPTER XVII—RECRUITMENT AND PROMOTION.

My Committee have no comments to make on this Chapter.

Letter No. 2196/93, dated 16th July 1937, from the Bombay Chamber of Commerce to the Secretary, Central Board of Revenue, Simla.

In continuation of this office letter No. 1590/93 of the 24th May 1937, I have the honour to submit the comments of my Committee on Part I of the Income-tax Enquiry Report, 1936.

2. In the first place I am to point out that as many of the recommendations contained in the report are, as the Income-tax Enquiry Committee have themselves stated, inter-related, and just as the rejection or modification of one of the recommendations may necessitate the rejection or modification of others, so the views of my Committee on a particular recommendation may have to be modified according as Government accept, modify or reject the interrelated recommendations.

3. My Committee do not deem it necessary to touch on all the recommendations of the Income-tax Enquiry Committee and in cases where they have offered no comments on any recommendations it may be assumed either that they approve such recommendations or do not desire to put forward any remarks thereon. In the case of those recommendations on which my Committee are offering comments they have taken them as far as possible in the order in which they appear in the report. The pages, chapters and sections shown in the margin relate to the pages, chapters and sections of the report.

4. My Committee, in submitting their views in regard to the proposals made by the Income-tax

Enquiry Committee, have dealt with the various recommendations in general terms only, on the understanding that no important changes in the Income-tax Rules will be brought into force by executive order before my Chamber, and other bodies similarly interested, have had an opportunity of expressing an opinion on such of the recommendations in their final form as the Government of India may propose to adopt.

CHAPTER I—SCOPE OF THE ACT.

Residents in British India—Income arising abroad.

The main recommendations of the Enquiry Committee under this head are :— Page 3, Chapter I, Section I.

(1) That foreign income of residents in British India should be dealt with on the basis of the whole income arising. Incidentally this would allow for the allowance of foreign business losses.

(2) That remittances received by a wife out of such part of a husband's income as is not liable to assessment in his hands should be deemed to be income arising to her and assessable in her hands.

(3) That a definition be laid down for "residence" somewhat on the lines of Clauses 6 and 7 of the draft Income-tax Bill appended to the Report of the United Kingdom Income-tax Codification Committee presented to Parliament in April 1936, and adapted to Indian conditions.

(4) That in the case of a company controlled in British India the definition should read :—

"A company shall be treated as resident in British India if it is controlled in British India at any time during the year in which the profits sought to be assessed arise."

My Committee are in general agreement with the above recommendation in respect of companies and consider that the practical issue arising out of

the other recommendations in this section is met by the question of the control of companies. Similar considerations would apply to any business controlled in India. My Committee feel, however, that in regard to individuals the difficulties which will be encountered both in the way of assessment and collection of the taxes, will be so many that no attempt should be made to assess the world income of persons who are resident but not domiciled in India. My Committee approve in principle the levy of taxes on a reciprocal basis with other countries, but in this particular instance there is no evidence available to them to show what the reciprocal position is in regard to foreign countries, nor whether the world income of Indians resident in the United Kingdom is assessed for United Kingdom income-tax. In any case, it is their opinion that the difficulties of taxing the foreign income of all individuals who may be liable on a basis of residence in India will be so great that they are strongly opposed to the recommendation as being unfair to the honest tax-payer.

Non-residents—Income arising in British India.

Page 3, Chapter 1, Section 2.

The Income-tax Enquiry Committee express the view that a non-resident on whose behalf goods are regularly sold in British India should be made assessable in respect of profits arising therefrom whatever may be the type of the representative employed. The Committee consider that it would be undesirable to attempt to tax the profits arising where an agent only receives casual consignments and does not regularly act for the consignor. They also recommend that statutory power be given to an agent acting regularly for a non-resident principal to retain a sum equal to the estimated tax liability and that in a case where there is disagreement between the agent and the principal upon the question of the reasonableness of the amount retained the certificate

of the Income-tax Officer as to a reasonable amount should be sufficient authority for retention of such an amount pending the final ascertainment of the liability.

The recommendations seem to my Committee to be reasonable. They desire, however, to stress that the local agent should not be made responsible for income-tax in cases where he has not or could not have had money of his foreign principal in hand or in cases where the agency has ceased before any notice has been received from the Income-tax Officer. Although it is said that this point is covered in the Income-tax Enquiry Report by the fact that an agent will be empowered to retain in his hands an amount sufficient to cover the tax payable I am desired to point out that it is sometimes a matter of extreme difficulty to decide whether an agency exists or not, and an agent is in a very different position from an individual, who must know when he has taxable income.

Agricultural Income.

The recommendations under this section have the general approval of my Committee and in particular they agree that agricultural income should be taken into account for assessment purposes.

Page 7, Chapter I, Section 4.

Local Authorities.

The Income-tax Enquiry Committee have recommended that the extent of the trading of local authorities in British India should be investigated with a view if necessary to the reconsideration of the existing practice by which such local authorities are specifically exempted from income-tax.

Page 9, Chapter I, Section 5.

My Committee are definitely in favour of this recommendation and strongly support it.

Exemption under Section 60(1).

Page 9, Chapter I, Section 6(*b*).

The Income-tax Enquiry Committee have pointed out that so far as certain Government pensions are concerned Section 272 of the Government of India Act, 1935, definitely exempts such pensions from taxation imposed by the existing Act or any future taxing Act. They recommend, however, that other Government pensions and pensions paid by commercial concerns, etc., to which there is no such statutory bar against making them liable to tax should pay British Indian income-tax as they are pensions earned in British India. They recommend that liability should not depend upon the accident of the place at which the pension may be made payable but should extend to all pensions earned in British India, and incidentally point out that broadly this recommendation would not, by virtue of the double taxation provisions, increase the total tax payable by a resident in the United Kingdom (the normal case).

The Income-tax Enquiry Committee further recommend that to secure the collection of tax on all such pensions it should be enacted that any person resident in British India who pays either direct or through any agent, a pension, whether legally exigible or otherwise, to any person not resident in British India shall deduct tax therefrom at the standard rate and account therefor to the Revenue.

My Committee consider that it is only fair that if the recipient is liable to the tax, the person who pays the amount should be permitted to include it as a business deduction. It should be laid down as a general principle that in all cases where the assessee deducts tax at source he should be permitted to deduct such payments, as pensions, etc., as business expenses.

Interest on Securities payable abroad charged on Indian Revenues or on Indian Income.

Page 11, Chapter I, Section 7.

The Income-tax Enquiry Committee have reported that they received repeated representations that since the interest on securities of the Government of India is a burden upon Indian revenues, there is no justification for not subjecting it to Indian Income-tax. They mention that if it is desired to bring such interest within the scope of British India Income-tax this could only be done by amendment of the Government of India Act (see Section 178 (3) of that Act).

They add that in such an event, special machinery for the deduction of tax would need to be provided.

The Income-tax Enquiry Committee also state that the view was expressed that even if non-taxability in respect of interest on existing loans must be retained, it should be avoided in respect of any future issues by making the interest payable in India. They point out, however, that this is a matter of Governmental financial policy.

My Committee are definitely opposed to this recommendation as they consider it undesirable to discourage the import of capital into India. They can quite understand that the flight of capital from India should be discouraged.

CHAPTER II—THE CHARGE OF INCOME-TAX AND SUPER-TAX.

Basis of charge of Income-tax and Super-tax.

Page 13, Chapter II, Section 1(*a*).

The Income-tax Enquiry Committee have recommended the introduction of a " slab " system of taxation, i.e., " the application of progressive rates to successive slices of income."

It appears to my Committee that the proposal is designed to produce more income. It will undoubtedly

be a burden on companies and on the higher salaried individuals. It seems on the whole, however, to be a fairer basis of taxation but the rates will have to be kept very low if the incidence of the tax is not to be unduly heavy. Deductions from salaries each month should be on the basis of one-twelfth of the estimated tax applicable to the year's salary of the assessee and not by varying amounts according to the "slab" reached by the assessee's income.

Earned Income-Relief.

Page 15, Chapter II, Section 1(c).

The Income-tax Enquiry Committee state that they are in agreement with the conclusions of the Taxation Enquiry Committee that existing conditions in India do not justify any attempt to differentiate between earned and unearned income.

Page 197, Taxation Enquiry Committee Report.

In drawing particular attention to the remarks of the Taxation Enquiry Committee in this respect my Committee would point out that the former Committee have stated that the case would be different if at any time income derived from agriculture were made liable to the tax. However, my Committee have no very strong feelings in the matter.

Restrictions on Life Assurance Relief.

Page 16, Chapter II, Section 2(b).

The Income-tax Enquiry Committee have referred to the exclusion from relief of premiums paid in certain cases and have recommended, *inter alia*, that if policies effected outside British India are to be excluded, the restriction should apply only to policies effected after the date from which such restriction becomes effective.

My Committee are strongly opposed to the above recommendation. The sole idea underlying the exemption of insurance premia is the encouragement of thrift and my Committee consider that there should be no restriction whatever in the way of relief on any

form of life assurance taken out with any company. If, however, the recommendation of the Enquiry Committee in respect of policies effected outside British India is accepted my Committee insist that the restriction should come into force only after the date on which the amending Act takes effect.

Provident Fund Contributions.

The Income-tax Enquiry Committee suggest that whether or not a " slab " system be adopted, interest credited so far as it does not exceed 6 per cent. on the accumulated balance and does not exceed one-third of the salary for the same year should be deducted from the employee's income, inclusive, as at present, of employer's contribution and added interest, in computing the income to be taxed, and that disallowed sums should no longer be segregated in order to compute for further disallowance the interest thereon. Page 16, Chapter II, Section 2(*c*).

They also suggest that the provisions of Section 58-G, Sub-section 3, be amended to provide that a calculation of tax payable on the total incomes of all the years concerned shall be made as if, in his case, the fund had not been recognised, and from the total amount of tax so computed, there shall be deducted the total amount of tax already collected for those years, the balance, if any, being payable by the employee.

They further recommend that official funds should be required to fulfil the same conditions as any others in order to obtain Income-tax exemption, and that Chapter IX-A of the Income Tax Act, with the Indian Income Tax (Provident Fund Relief) Rules, should be made applicable to all Provident Funds in respect of which income-tax relief is granted. This means that official funds (i.e., those to which the Provident Funds Act, 1925, applies) will be required to fulfil the

same conditions as any others in order to obtain income-tax relief.

My Committee agree that " official " as well as " recognised " Provident Funds should be on the same basis, whichever is decided on.

It would appear that an attempt has been made to meet this Chamber's point in regard to the exclusion from the members' income of the employer's contribution to the Provident Fund. If the " slab " system be introduced the hardship complained of will be automatically removed, but if the " step " be continued the point will not have been met.

Company Super-tax.

Page 17, Chapter II, Section 3.

The Income-tax Enquiry Committee state that it is clear from the Government of India Act, 1935 (Section 138, etc.), that the Company Super-tax is intended to be a corporation tax, i.e., a tax levied on corporations as such, and not an income-tax, although calculated by reference to income and although treated as income-tax for the purpose of a double taxation relief claim by a company. They add that this precludes examination by them of the claim that company super-tax equally with income-tax paid by a company, should be treated as paid on behalf of shareholders and should be taken into account in the computation of any refund under Section 48. They also state that if this tax is allowed as a deduction in computing the profits of a company for income-tax purposes as was the case with the United Kingdom Corporation Tax, it would have the effect, if conceded, of varying adversely to the Provinces, the prescribed allocation of revenues between the Centre and the Provinces since Company Super-tax (or Corporation tax) is purely a Federal source of revenue which in the future is to be allocated partially to the Provinces.

In view of this consideration they make no recommendation on this point.

It is disappointing that the Income-tax Enquiry Committee have not recommended the abolition of the Company Super-tax. On the contrary, their proposals would not only perpetuate it, but would, by abolishing the existing allowance of Rs. 50,000, pave the way to the conversion of this tax to a Corporation Tax. My Committee are strongly opposed to this as, while Super-tax is treated as an additional Income-tax, which it is, for the purpose of calculating Double Income-tax relief, Corporation Tax would not be so included, with the result that British Companies would, in all, pay in respect of their Indian profits, the full rate of British Income-tax plus Indian Corporation Tax. The Corporation tax was dropped in the United Kingdom after a short life, and there has been adduced no reason for its introduction in India that would not apply with greater force in the United Kingdom where the need for tapping new sources of revenue is so much greater.

The whole essence of a Super-tax is that it is a tax on incomes in excess of a given minimum. There was no logical reason for making it applicable to companies seeing that their income was passed on to the shareholders and this was the reason for the continued opposition of the Chamber. Naturally the free allowance was originally the same for individuals and for companies, but the free allowance to individuals has since been reduced to Rs. 30,000. The proposed abolition of the free allowance in the case of companies, while an admission of the arguments of the Chamber against the application of Super-tax to companies, is justified by the Enquiry Committee on the grounds of the tax being a Corporation Tax in effect, and is a long step in the direction of making it so in law.

My Committee are of opinion, moreover, that the whole question needs further consideration as the Income-tax Enquiry Committee have apparently taken a mistaken view of the Government of India Act particularly in respect of the allowances to the Provinces. If Super-tax is to be made into a Corporation Tax, however, my Committee press that it should be allowed as a deduction in computing profits for income-tax purposes, as in the United Kingdom.

The Income-tax Enquiry Committee also find no grounds for any general extension of the exemption granted to investment trust companies to other holding companies. The Income-tax Enquiry Committee are, however, strongly in favour of the acceptance of the recommendations of the Taxation Enquiry Committee (see page 203 of the Report of that Committee) that the exemption limit of Rs. 50,000 should be abolished.

My Committee can only repeat the opinion previously expressed by the Chamber that the exemption from super-tax of so much of the income of any investment trust company as was derived from dividends paid by any other company which had paid or would pay super-tax in respect of the profits out of which such dividends were paid should be extended to all companies which hold shares in other companies. My Committee would therefore again ask Government to grant to all holding companies the relief from double super-tax that is at present granted to investment trust companies.

Chapter IV—Classification of Income.

Page 27, Chapter IV.

The Income-tax Enquiry Committee recommend that in Section 6 of the Act which lays down the heads

of income chargeable to income-tax, class (iv) should be amended to :—

" Business, profession or vocation " instead of " Business " only.

My Committee do not approve the idea of " professions " being added.

The Income-tax Enquiry Committee appear to have been actuated by the desire to allow to professions certain expenses which are not allowed at present. The instances, they give, however, appear to be all allowable under the existing Section 11(2) (*i*), but, if they are not, the correct method of remedying the defect would be to repeat Sub-sections (*i*), (*ii*), (*iii*), (*viii*) and (*viiia*) of Section 10(2) under Section 11(2). The expenses allowed under Section 11(2) (*i*), are all expenses, other than capital expenses and personal expenses, which are incurred solely for the purposes of such profession, and this is clearly wider than Section 10(2) (*ix*), which allows only expenditure other than capital expenditure which is incurred solely for the purpose of earning profits.

The Enquiry Committee further recommend the deletion of Section 11(2), as a consequential amendment on the ground that this will cut out the too wide depreciation provision for professions. They do not instance any case where the depreciation allowed is on too wide a basis or is unfair and the inference to be drawn is that they propose in future to disallow expenditure on such items as are disallowed in England but allowed in India.

It is obvious from page 40 of the Report that the Enquiry Committee have not come across any instance where depreciation has been allowed on assets on which it should not have been allowed. They only fear that some such instance may arise in the future.

Page 40, Chapter IV, Section 5(*f*).

In connection with the recommendation on page 40, (paragraph *f*), in regard to books, my Committee are of opinion that it would save considerable inconvenience both to the assessees and the income-tax office if books were allowed to be written off in the year in which they were purchased instead of being subject to depreciation.

Chapter V—Computation of Income.

Salaries and Property.

Expenses—Allowance by Employers.

Page 29, Chapter V, Section 1(*c*) (*i*).

The Income-tax Enquiry Committee consider that any amounts allowed in excess of actual expenses should be assessable and recommend that Section 4, Sub-section (3) (*vi*) of the Act be amended by the addition of words, such as :

" so far as it is actually expended for such purposes."

My Committee agree in principle with the recommendation but do not consider it practicable as it would be difficult to say where the " excess expenses " actually began.

Expenses incurred by Employees out of remuneration.

Page 29, Chapter V, Section 1(*c*) (*ii*).

The Income-tax Enquiry Committee recommend that provision should be made for deduction in income-tax assessment in a case where by the conditions of his employment an employee is required out of his remuneration to incur expenses wholly and necessarily in the performance of his duties.

This recommendation *prima facie* appears to be reasonable, though it seems to my Committee that it might open up considerable opportunities for legal evasion of tax.

(*b*) *Computation of Annual Value.*

The Income-tax Enquiry Committee recommend that Paragraph 41 of the Manual be amended to make it clear that in the normal case, actual rent payable should be the basis of assessment. Page 29, Chapter V, Section 2(*b*).

My Committee are of opinion that the proposal is fair. They consider, however, that it should be made clear that where the actual rent includes occupiers' taxes, paid by the landlord, as is the case in Calcutta, the amount of such taxes should be deducted from the rent, in arriving at the annual value. This point should be made clear even if no alteration is made.

My Committee also suggest the following addition to the same clause :—

"If, owing to the rise in rent during the currency of a lease, a premium is paid by an incoming tenant to an outgoing tenant, for the transfer of the lease, this should not affect the annual value for the purpose of income-tax, as the landlord derives no benefit."

(*f*) *Losses on Property.*

The Income-tax Enquiry Committee recommend the deletion of the proviso to Section 9(1) of the Act so as to allow a loss incurred on property to be set off against other income. Page 31, Chapter V, Section 2(*f*).

My Committee desire to support the proposal.

Chapter VI—Computation of Income.

Business, Professions and Vocations.

Deductions.

(*c*) *Bad Debt*.—The main recommendation of the Income-tax Enquiry Committee under this head is to add to Section 10 (2 of the Income Tax Act, 1922, a specific clause (*viii-b*) which would make it Page 34, Chapter VI, Section 4.

clear that where the assessee's accounts are kept on the mercantile basis, in respect of bad and doubtful debts, he should be allowed to write off such sum as is estimated by the Income-tax Officer to be irrecoverable, but not exceeding such sum as is actually written off in the books of the assessee.

My Committee are of opinion that it should be laid down that it is sufficient if bad debts are written off in the Profit and Loss account of the assessee without any necessity of crediting the debtor's account.

Depreciation and Obsolescence

and

Carry forward of business losses.

Page 36, Chapter VI, Section 5 and Page 49, Chapter VIII, Section 3.

The recommendations in connection with these two questions are closely bound up with one another and my Committee have consequently examined them together.

The Income-tax Enquiry Committee make the following proposals :—

(1) That depreciation should be allowed as an expense each year, and, if there is a loss, should form part of that loss for all purposes (p. 38).

(2) The depreciation allowed is not to be greater than that written off by the assessee from the commencement of the Act (p. 38).

(3) The balance of depreciation carried forward against future profits is to be cancelled, but there is a suggested concession that the carried forward depreciation for the six years prior to the year of amendment of the Act may be continued to be carried forward as before against profits otherwise assessable for the succeeding six years (p. 38).

(4) The carrying forward of business losses is to be introduced by degrees (p. 49).

(5) Depreciation is in future to be calculated on the written-down value (p. 37).

(6) The written-down value is to be calculated on the balance of the original cost after deducting all depreciation previously allowed, including therein depreciation included in the carried forward balance which is now to be cancelled (p. 38).

(7) The rates of depreciation are to be increased in view of the change-over to a calculation on the written-down basis, except where at present they are too high (p. 37).

(8) Some of the rates appear to be much too high, and are to be reduced, subject to (7) above (p. 37).

(9) Considerable reduction should be made in depreciation allowances on buildings in classes 1 and 2 (p. 39).

(10) Depreciation rates to be revised every 10 years (p. 39).

(11) The obsolescence allowance to be extended to cover all cases of sale where the depreciation allowance proves to have been insufficient. Conversely, if on the sale of any plant the depreciation thereon is found to have been excessive, the excess will be brought into profits (p. 41).

(12) Depreciation allowed in the case of professions and vocations.—The allowance in respect of " other capital assets being the property of the assessee and used solely for the purposes of such profession or vocation " is to be abolished (p. 40).

(13) Machinery working double shifts.—There is no case for allowing additional depreciation except

where double-shift working is a regular incident of a trade or a section of a trade (p. 39).

In considering the above proposals the following points have been borne in mind by my Committee :—

(*a*) The proposed concession of carrying forward of business losses will be greatly diminished if at the same time back depreciation is to be cancelled as it is hoped business houses are entering upon a period of increasing profits.

(*b*) The principle adopted throughout in the past has been that 100 per cent. of the cost of Plant and Machinery should be allowed against profits over the life of such Plant, etc., subject to such amounts as may be realized by the sale of scrap. Under the new proposals, however, not only are the arrears of back depreciation to be cancelled as regards allowances against future profits, although deemed to have been allowed in the past, but future depreciation will not be recoverable where there is a loss, except to the extent to which such loss is carried forward.

My Committee offer the following comments on the above proposals.

(1) They see no objection to depreciation being calculated on the reducing balance as a general principle.

Where, however, assessments are under Rule 33, it will cause great difficulty and complication if depreciation is calculated on a different principle from that adopted in the United Kingdom particularly in the case of shipping companies. My Committee consider, therefore, that it should be laid down that in assessments under Rule 33, Income-tax Officers should normally accept the depreciation for the year calculated in the Head Office assessment, as the basis of calculation, and should obtain the order of the

Commissioner before adopting a different basis (as might be necessary in the case of non-British Companies). There should also be power under the Rules to retain the present method of calculation in certain industries (such as shipping) where it may be shown to be desirable in the case of assets with a very short life, such as those where over 15 per cent. is allowed at present.

(2) My Committee would urge that, as in the United Kingdom, back depreciation should be carried forward indefinitely and they recommend the incorporation in the Income Tax Act of a clause on the lines of clause 19 of the Finance Act of 1932.

(3) My Committee are of opinion that instead of carrying forward an increasing number of years' losses up to six, as proposed by the Enquiry Committee, an increasing proportion of the previous six years' losses should be carried forward. My Committee suggest in the first year one-sixth of the combined losses of the previous six years should be allowed (excluding profit years), in the second two-sixths and so on up to the full six years.

(4) In any case my Committee would point out the unfairness of introducing the carrying forward of business losses by degrees, while cancelling the whole of the arrears of depreciation in one year and deem it essential that the concession, suggested on page 38 of the Report, be allowed of carrying forward the last six years of arrears of depreciation against the next six years' profits otherwise assessable.

(5) The reduction in the rates of depreciation for buildings in classes 1 and 2 is argued on page 39 as if depreciation were to be calculated on the original cost, but this must be subject to the admission on page 37 that if depreciation is calculated on the written-down value the percentage must be increased.

Depreciation of 1 per cent. per annum on the reducing balance leaves 59 per cent. of the cost still remaining after 50 years, and $2\frac{1}{2}$ per cent. leaves 28 per cent. after 50 years, although in the latter case the asset would have been completely written off 10 years earlier if depreciation had been calculated on the original cost.

(6) *Obsolescence.*—My Committee consider it reasonable that the combined allowances for depreciation and obsolescence should be equal to the difference between the original cost and the rate of scrap value, but it is suggested that it should be provided that if the asset is sold for more than its cost, the excess should not be taxable, but only the total depreciation previously allowed. Further, the taxing of such excess depreciation can be accepted only if my Committee's recommendation under (2) above is accepted. Machinery is, of course, not likely to be sold for more than its cost except in the case of a large rise in values (as in the case of war) and the sale of the business as a going concern.

(7) *Wasting Assets.*—My Committee do not see why deductions refused in the United Kingdom, which are often refused solely on account of the resulting loss of revenue, should be assumed not to be based on reason or equity. Where leases, etc., are renewable without payment of premium my Committee agree that there is no case for claiming depreciation on the cost of the lease or the original premium paid, but where a lump sum payment is to be paid on each renewal, then such lump sum should in fairness be allowed to be written off for the remaining period of the lease.

(8) *Depreciation on other capital assets: Professions or Vocations: (Clause 12 above).*—My Committee think that the onus is on the Government to show that the quoted words are dangerously wide,

as the Enquiry Committee do not suggest any assets coming under this head which should not be allowed for depreciation. If there are any such assets, they can definitely be excluded by specific mention in the section.

Chapter VII—Computation of Income. Special Types of Business.

Investment Companies.

The Income-tax Enquiry Committee in dealing with the question of the allowance in respect of management expenses to be made in the case of investment trust companies which are regarded as not carrying on business, state that there seems no reason why an investment trust company should be placed in a privileged position and allowed expenses in connection with the investment of capital and the collection of interest on securities, when such expenses are not allowed in the case of other assesees. Page 45, Chapter VII, Section 2.

My Committee are of opinion that it is merely a question of fact, i.e., whether an Investment Company has, in effect, any expenses of collection. It must have and my Committee consider that such expenses should be allowed. They are unable to see in what way the allowing of such expenses will place an Investment Company in a privileged position.

Chapter VIII—Computation of Income. General Matters.

Interest payable.

The Income-tax Enquiry Committee recommend that in order to remove an existing anomaly interest should be allowable in arriving at the income from property only when it is paid in respect of a mortgage or other charge to which the property was subject Page 48, Chapter VIII, Section 2.

when it was acquired by the assessee, or in respect of money borrowed specifically for the acquisition of the property or for its repair, renewal or reconstruction.

My Committee consider that this recommendation, if adopted, will create a fresh anomaly in that an assessee who acquires a property, subject to a charge will be allowed interest on his mortgage and expenses, but a man who raises money to pay his debts by mortgaging his property will not be allowed the interest on his mortgage, although in each case the assets of the assessee consist of the net value of his property.

The Income-tax Enquiry Committee recommend further that in the computation of business profits *bona fide* interest in respect of capital borrowed for the purpose of the business, payable to persons other than the proprietors of the business, should be allowed whether dependent or not on the earning of profit.

The Committee also recommend that where interest is paid in such circumstances that tax cannot be deducted, such interest should not be allowable as a deduction in computing profits.

My Committee would point out that this will hinder Indian Companies from borrowing in the cheapest market and from taking advantage, as the Tata Companies did, of such facilities as the United Kingdom Trade Facilities Act.

The Income-tax Enquiry Committee do not think it desirable, having regard to the special conditions of British India, that all annual interest payable by an assessee should be an allowable deduction from his total income irrespective of the purpose for which the money was borrowed.

My Committee would note that the Income-tax Enquiry Committee have refrained from stating

what are the special conditions which render undesirable a provision of obvious justice which exists in the United Kingdom practice.

Chapter IX—Payment of Tax.

Date of Payment.

The Income-tax Enquiry Committee recommend (*a*) that executive instructions might be issued to the effect that the time allowed for payment, except in cases where the revenue appears to be in danger, should not be less than 14 days ; and (*b*) that payment by instalments should not be permitted. Page 52, Chapter IX, Section 1.

My Committee are in favour of recommendation (*a*) as being necessary and a good one.

In regard to (*b*) my Committee are in favour of payment by instalments being permitted. Hitherto the Department in Bombay has usually been reasonable in this respect and has permitted payments by instalment as long as the whole of the tax is paid before the end of the year. My Committee consider the practice should be continued.

Chapter X—Deduction of Tax at Source.

Interest paid.

(*a*) *Interest paid to residents (other than interest on securities.)*

The Income-tax Enquiry Committee are of opinion that the best method to secure the tax due on interest paid to residents in British India is the application of the statutory provision in Section 20-A of the Act for the rendering by payers of interest of returns of the names and addresses of the resident recipients with the amount of interest paid in the year, reducing the prescribed minimum to, say, Rs. 100. Page 53, Chapter X, Section 1(*a*).

My Committee consider the proposed limit of Rs. 100 much too low and see no reason for changing the present figure of Rs. 1,000.

Interest paid to non-residents (other than interest on Government Securities.)

Page 53, Chapter X, Section 1(*b*).

The Income-tax Enquiry Committee recommend that it be enacted that interest paid to a non-resident by a resident should be subject to deduction of tax at the standard rate with the obligation upon the payer to make a return to the Income-tax Officer of such interest and to account for the tax on the lines laid down in Section 18(6) of the Act. When the contract for payment of interest by a resident to a non-resident is made outside British India, so that the resident has no right of deduction of tax, it is suggested that such interest should not be allowable as a deduction in computing profits.

My Committee consider the above suggestion even more objectionable than the previous one, from the point of view of banks. They feel that it will hit banks hard and cause a drain of capital from India so that the money might no longer be available for Indian traders.

Dividends.

Page 54, Chapter X, Section 2.

The Income-tax Enquiry Committee suggest that in the computation of total income the dividends of a Company should be grossed up at the "Company rate" for the financial year in which the dividend is declared, less the rate at which double taxation relief (in respect of income-tax only) has been obtained by the Company. They point out that in the majority of cases a Company's double taxation relief claim in British India can only be made after relief has been allowed in the United Kingdom, and in consequence the rate of British India relief for any year cannot be determined

for some considerable time after the end of that year. As a practical expedient they propose the adoption of the Company's rate of relief allowed for the year preceding the year in which the dividend was declared, such rate being required to be shown on the dividend certificate and being the rate by reference to which double taxation relief should be deemed to have been allowed to the shareholder.

The Income-tax Enquiry Committee also recommend that where the tax-free portion of the income of a Company does not exceed, say, 10 per cent. of the total income of the Company the whole dividend should be treated as having borne tax.

My Committee have no remarks to offer on either of the above recommendations.

The Income-tax Enquiry Committee recommend further that it should be provided that subject to the limitation suggested in the previous paragraph, relief or refund should not be allowable in respect of that portion of any dividend corresponding to the proportion of the profits (out of which dividend was paid) which was not assessable in the hands of the paying company, and also that that proportion of a dividend paid out of profits not assessed to tax but which would have been assessed, had they been the profits of a company resident in British India shall be assessable in the hands of the shareholder.

The Income-tax Enquiry Committee also recommend that the same principle should be applied to dividends received by a resident from a non-resident company that has paid British India tax on a portion of its profits, so that whilst the whole dividend is assessable, credit should be given for tax only on that proportion of the dividend corresponding to the proportion of the paying company's income that has borne British India tax.

My Committee are definitely opposed to these recommendations as they consider that they are neither just nor reasonable and will involve unnecessary work in the Income-tax Office. As long as the shareholder is not entitled to any refund the tax might just as well be levied on the company in the first instance.

Salaries.

Page 55, Chapter X, Section 3.

The Income-tax Enquiry Committee have suggested two alternative methods of deducting tax from salaries, if the "slab" system of rates of tax be adopted, viz :—

(*a*) to deduct from each month's salary, one-twelfth of the estimated tax applicable to a year's salary.

(*b*) to treat the successive payments of salary as corresponding to the successive "slabs" of income to which different rates of tax are applied.

They also recommend that super-tax also should be deducted by the employer.

As already mentioned in their comments on Chapter II my Committee prefer the alternative (*a*). They object to (*b*) as being extremely cumbersome and harassing to a large employer.

My Committee also strongly object to the employer having to deduct super-tax.

Other Payments.

Page 56, Chapter X, Section 4.

The Income-tax Enquiry Committee recommend deduction at source of tax on such payments as copyright royalties, patent royalties, and rents, including ground rents.

My Committee consider that there can be no objection in principle to this being done as opposed to cases

under Section 1 (*b*) of this Chapter of interest where the capital amount can be removed from India without any difficulty.

Chapter XI—Double Taxation Relief. United Kingdom.

(*a*) *Payment of Tax.*

The Income-tax Enquiry Committee state that it seems clear that the intention of the Legislature is to give relief to all persons who have suffered double taxation whether directly or indirectly and to remove doubts in this connection they suggest that after the word "paid" wherever it occurs in Section 49 (1), there should be inserted the words "by deduction or otherwise" and they have also suggested the addition of a further clause to Sub-section (2) of Section 49. Page 57, Chapter XI, Section 1(*a*).

My Committee agree with these recommendations.

(*b*) "*Corresponding Year.*"

The Income-tax Enquiry Committee have stated that it is necessary to bring the basis of computation of Indian relief into line with the practice now in force in the United Kingdom of treating the Dominion tax year corresponding to a year of assessment in the United Kingdom for the purpose of double taxation relief as the year for which an assessment is made by reference to the same basic period of accounts as that of the United Kingdom assessment on which relief is claimed. Page 57, Chapter XI, Section 1(*b*).

My Committee consider that the recommendations of the Income-tax Enquiry Committee in this connection will remove a hardship.

(*c*) *Part of Income.*

My Committee understand that the recommendations made under this heading are dependent upon the Page 58, Chapter XI, Section 1(*c*).

outcome of conferences which are to be held between the United Kingdom and Dominion Countries with a view to formulating proposals which will provide relief on a reciprocal basis. In the circumstances my Committee do not desire to comment upon the proposals made by the Income-tax Enquiry Committee at this stage.

(*d*) *Maximum rate of relief.*

Page 59, Chapter XI, Section 1(*d*).

The Income-tax Enquiry Committee recommend the restoration of the provision that the rate of relief in India should not exceed one-half of the Indian rate of tax.

My Committee consider that the principle should be insisted on that an assessee should not pay more than the higher of the rates leviable in the two countries and that differences of opinion as to the extent to which an individual has suffered tax in other countries should be adjusted by negotiation between the revenue authorities of the two countries concerned rather than that the assessee should be penalised.

(*e*) *Double taxation relief* (*Section* 49) *in relation to small incomes relief* (*Section* 48.)

Page 60, Chapter XI, Section 1(*e*).

In order to restrict double taxation relief to one-half of the Indian rate of tax appropriate to the assessee, the Income-tax Enquiry Committee have suggested an amendment of the definition " Indian rate of tax " in Section 49. The Committee have also recommended that provision should be made on the lines of Section 27, Sub-section 3, of the United Kingdom Finance Act, 1920, so as to allow for cases where the rate of double taxation relief obtained by a company may exceed the rate appropriate to a shareholder after he has obtained small income relief.

My Committee have no objection to the recommendations provided the principle is adhered to that

an assessee should not pay more than the higher of the rates leviable in the two countries.

Ceylon.

The Income-tax Enquiry Committee point out that the basis of assessment in Ceylon is broadly that in operation in the United Kingdom and the considerations and suggestions set out in Section 1 of this Chapter apply equally to Ceylon. They suggest, therefore, that the agreement with Ceylon should be amended accordingly. Page 61, Chapter XI, Section 2.

My Committee consider that any arrangement made with Ceylon should have for its basis the principle of reciprocity.

Burma (after separation).

The Income-tax Enquiry Committee suggest that as regards a shareholder in receipt of a dividend from a company which has received relief from British India, Burma and the United Kingdom, it should be provided that the rate of double taxation relief allowable in British India in respect of such dividend income be restricted to that proportion of his effective rate of tax that the rate of relief allowed to the company bears to the company rate of tax. Page 62, Chapter XI, Section 3.

My Committee's remarks under the preceding items in regard to income-tax relief apply also to Burma.

Company Super-tax in relation to Double Taxation Relief.

On the assumption that relief to companies will still be given by reference to company super-tax as well as income-tax, and that company super-tax will Page 62, Chapter XI, Section 5.

still be regarded as not affecting the relief due to the shareholders in receipt of dividends, the Income-tax Enquiry Committee have proposed in view of their previous recommendations that as a practical measure the total rate of relief allowed to a company shall be divided between Income-tax and Company Super-tax in the proportions that the rates of those taxes paid by the company bear one to the other before any such relief is granted.

My Committee consider that the whole question bristles with difficulties and they do not wish to put any obstructions in the way of the Department in the calculation of double taxation relief. They are prepared to accept anything that may be finally agreed upon between the two countries.

Chapter XII—Legal Avoidance.

Non-distribution as income of a company's profits.

(a) Distribution in the form of bonus shares, etc.

Page 66, Chapter XII, Section 3.

The Income-tax Enquiry Committee have recommended that the definition of 'Dividend' as given in the Dividend Duties Act, 1902, of Western Australia, should be applied to dividends in the Indian Income-tax Act. The definition reads :—

"A 'dividend' shall include every dividend, profit, advantage or gain, intended to be paid, credited to, or distributed . . . ."

My Committee are opposed to this recommendation on the ground that any scrip dividend does not increase the intrinsic value of the shares of a company, and the only reason why the anticipated payment of a bonus in shares puts up the market value in shares is that the public expects that a company will continue to pay the same rate of dividend on the increased

capital. This is no more a ground for assessment than any other increase in the market value of a share. Moreover, the House of Lords has decided in the 'Blott' case that bonus shares are capital receipts and not income.

(*b*) *Non-distribution.*

The Income-tax Enquiry Committee express the opinion that notwithstanding the practice in the United Kingdom, questions of motive and of possible future requirements of the business for expansion, etc., should not be taken into account but that the fairest test is the ratio of the amount distributed to the total income of the company. They suggest that the section should apply only to cases where the profits distributed (grossed up to include income tax) are less than 60 per cent. of the assessable income of the company, provided that where the reserves representing past profits which have not been the subject of an order under Section 23A (2) exceed the paid-up capital, the section shall apply if the profits distributed are less than the whole of the assessable income of the company.

They further recommend—

(*i*) Since a company can be controlled by persons who are not members but who hold shares through nominees, the word "members" in the third line of sub-section (2) should be altered to "persons"; and

(*ii*) that orders under the sub-section should merely deem a member's proportionate share of the income of the company to be dividends and therefore part of his total income, leaving the company assessable in the ordinary way both to income-tax and company super-tax;

(*iii*) that the assessment and appeal provisions relating to other assessments should apply to orders

under Section 23A and that the present provision for appeals to Boards of Referees under Section 23A should be repealed ;

(*iv*) that the section should apply where a sufficient distribution has not been made within, say, six months of the date on which the accounts for the year in question have been presented to the shareholders in general meeting.

(*v*) that income of a company which has under Section 23A (2) been deemed to be part of the income of a shareholder which is itself a company should be deemed to be part of the income of the latter company for the purpose of comparison with the dividends paid by that company.

My Committee feel that the facts mentioned by the Income-tax Enquiry Committee indicate that the section is not required. They consider that it would be much better to let the law stand as it is and each case be treated on its own merits. Obviously the recommendations of the Income-tax Enquiry Committee would penalize a company which writes off its past losses against its gains. The assessable profits are generally more than the distributable profits. Income-tax itself considerably reduces the distributable profits below the assessable profits and in view of the previous recommendations of the Income-tax Enquiry Committee in no conceivable case will the dividends be 100 per cent. of the distributable profits.

(*c*) *Distribution by companies in liquidation.*

Page 68, Chapter XII, Section 3(*c*).

The Income-tax Enquiry Committee consider that it is possible for individuals to arrange that their income shall be received by them in the form of a distribution by a liquidator of a company which holds shares in another company which receives the primary income and escapes the provisions of Section 23A by

declaring adequate dividends. They consider that this case can be met by legislation on the lines of sub-section (6), Section 20 of the United Kingdom Finance Act, 1936.

The Committee also recommend that in the case of a company other than a company to which the proviso to Section 23A (2) of the Act applies all distributions in a liquidation to the shareholders out of accumulated profits should be deemed to be 'dividends' within the meaning of that word in Section 14 (2) (*a*).

My Committee agree with the above recommendations provided that the words "other than capital profits" be inserted after the words "accumulated profits."

Transfer of Assets abroad.

Page 68, Chapter XII, Section 4.

The Income-tax Enquiry Committee have recommended that in order to deal with the case of a British India company which as the result of a series of operations created a liability on their part to pay a large sum of interest to a company resident in China, the position so far as income-tax is concerned should be met by their suggestions in Chapters VIII and X that tax on such interest be paid at source, but, given accumulation of its income by the foreign company and no declaration of dividends, super-tax is avoided, Section 23A having no application to a non-resident company. The Committee stated that the only means of dealing with such a case would be, in their opinion, legislation on the lines of Section 18 of the United Kingdom Finance Act, 1936, which, moreover, is designed to cover a wide variety of other schemes for avoidance of tax.

My Committee support the recommendation.

CONTROL OF DRUGS AND MEDICINE TRAFFIC.

Letter No. 23/317, dated 5th January 1938, from the Bombay Chamber of Commerce to the Surgeon-General with the Government of Bombay.

"I have the honour to refer to the correspondence resting with this office letter No. 3726/317 of the 17th November, 1937, and to the subsequent interview which you were good enough to give to a deputation from this Chamber and to state that as it has been found possible to formulate the views of the Chamber on the above Bill before the date on which the Government of Bombay have been requested to submit the views of commercial bodies to the Government of India, I am communicating the Chamber's views direct to you. I am to express a hope that these views will not only be passed on to the Government of India but will also receive due consideration by the Government of Bombay particularly in connection with the points raised regarding the necessity for the immediate passing of legislation by the Government of Bombay for the control of the manufacture and sale of drugs in the Presidency. The Bill has been carefully considered by my Committee in consultation with a Sub-Committee consisting of members interested in the drug trade.

2. My Committee are of opinion that a Bill of the nature of the one under consideration is desirable as a portion of the legislation necessary to eliminate abuses at present existing in the drug traffic in India, and they are strongly in favour of the principle underlying it. They appreciate that, under the existing Constitution, the Government of India are not in a position to introduce legislation dealing with the manufacture and sale of drugs in India in addition to the control of importation of drugs. Therefore, whilst welcoming the lead given by the Government of India, my Committee wish to emphasize that, in their opinion, the control of the importation of drugs into India, without the control of the manufacture and sale of drugs in India, will not implement the recommendations submitted by the Drugs Enquiry Committee in 1930-31, which were

undoubtedly based on the assumption that control would be applied simultaneously to indigenous and imported drugs. In fact my Committee desire to make it quite clear that in their view the conditions at present obtaining whereby spurious drugs are sold in considerable quantities throughout the country will not be mitigated to any practical degree if only the importation of drugs is to be regulated.

3. During the course of the debate on the Honourable Khan Bahadur Dr. Sir Nasarvanji Choksy's resolution in the Council of State on the 18th September, 1935, urging that early measures should be initiated to implement the conclusions of the Report of the Drugs Enquiry Committee, the Honourable Mr. Ram Chandra, speaking on behalf of the Government of India, said that it was not much use the Government of India making a start of their own. It was for the Provinces also to co-operate. The Government of India could perhaps pass legislation regarding the control of imports, but the control of locally manufactured articles was also important. If locally manufactured articles were not to be controlled, control of the imported article alone would be useless.

4. With the above views my Committee are in entire agreement and it is their opinion that if the importation of drugs is brought under control and made more costly by reason of that control, without simultaneous control being applied to the manufacture and sale of drugs in the Provinces, the manufacture and sale of spurious drugs to the public will be encouraged rather than reduced. The whole object underlying the proposed legislation is the protection of the public against the use of spurious drugs, and it seems to my Committee that no practical objectives will be attained from the Bill under consideration so long as spurious indigenous drugs and drugs adulterated after importation can be sold to the public with impunity. My Committee recommend therefore that legislation for the control of the importation of drugs shall not be brought into force unless legislation for

the control of the manufacture and sale of drugs is enforced by all Provinces simultaneously.

5. I am now to submit my Committee's comments on the various clauses of the Bill. In cases where no comments are offered it may be assumed that my Committee approve the clauses.

6. *Clause* 2(*a*)—line 3—the word "shall" should be substituted for the word "may."

Certain chemicals are used in small quantities for pharmaceutical purposes and in much larger quantities for non-pharmaceutical purposes, i.e., Salt (Sodium Chloride), Permanganate of Potash and Soda Ash. It is considered that the implication of the section as it stands at present is that because one of these chemicals "may" be used as a medicine or in the preparation of a medicine, when imported in a pure state, its importation in the form ordinarily employed at present for purposes other than pharmaceutical, will be prohibited in future because it is not of the standard quality laid down in the Schedule to the Act. While my Committee agree that all chemicals used as medicines or in the preparation of medicines must be pure, they feel strongly that no restriction should be placed on the importation of chemicals not of pharmaceutical standard which are ordinarily used for other than pharmaceutical purposes.

Similarly the standard of drugs required for veterinary purposes is not necessarily as high as that required for drugs for human consumption. It appears to my Committee, therefore, that the effective control of standards in many instances will be practical and effective only after importation, i.e., at the time of manufacture and/or sale within the country.

7. *Clause* 2 (*c*).—The words "or holds" should be added between the words "bears" and "any" in the second and third lines. This will prevent any leaflet containing a false statement in regard to the drug being inserted in the container.

8. *Clause* 2 (*d*).—My Committee are strongly of opinion that reasonable notice should be given to interested parties and that the latter should be consulted before any amendment is made in the Schedule of Standards laid down for drugs and medicines imported into British India except in cases of emergency.

9. My Committee consider that the term " formula " should be clearly defined and would recommend, therefore, that a definition on the following lines be inserted in clause 2.

" ' Formula ' means a full statement of the active therapeutic ingredients contained in the preparation in nomenclature officially employed in pharmacy and medicine."

It is felt that this will prevent the practice which has been adopted in some instances of using some highly chemical term which means practically nothing except to the man of scientific training and is in most cases prejudicial to the *bona fide* manufacturer and provides opportunities for the consuming public to be misled.

10. *Clause* 3 (*c*).—As suggested above the term " formula " should be clearly defined. For this purpose my Committee consider that in cases where the formula of a medicine is disclosed it should be sufficient to give only the active therapeutic ingredients. It is however necessary that it should also be clearly defined what is meant by a " disclosed " formula. It is recommended that it should be sufficient in future for a formula to be considered as disclosed, if (1) it is printed on the label or carton or given on literature enclosed in the package, or (2) deposited with the Government of India. In the latter case it should, however, be definitely laid down as to where and to whom the formula should be disclosed and the steps that will be taken to guarantee absolute protection to the manufacturer.

11. *Clause* 3 (*c*) lays down that no person shall bring into British India otherwise than under and in accordance with the terms of a licence issued under the Act any patent or proprietary medicine the formula of which is undisclosed.

It seems clear from this section and section 6 (2) (*a*) that the Government of India contemplate issuing a separate licence and charging a separate fee in respect of each patent or proprietary medicine. My Committee are of opinion however that in such cases the licence to import should be granted only at the request of the manufacturer or his authorised agent and in cases where more than one patent or proprietary medicine is manufactured by one manufacturer the latter should be granted a comprehensive licence which would permit the import of all such patent or proprietary medicines manufactured by him which are not prohibited under clause 3.

12. *Clause* 6 gives the Government of India the power to make rules under the Act. My Committee have few comments to offer on the items in respect of which the Government are to be given power to prescribe rules, but, as such rules may be of vital importance to the trade, my Committee consider that provision should be made in the Bill for such rules not to be brought into force, except in cases of emergency, until interested parties have had an opportunity of commenting upon them.

13. *Clause* 6 (2) (*d*) contemplates the promulgation of rules regulating the submission by importers and the securing of samples of drugs and medicines for examination, test or analysis, and the manner of examination, test and analysis of such samples, and prescription of the charges that shall be made for any examination, test or analysis.

My Committee do not consider that it is intended that samples should be taken from all consignments but that, as at present, samples will only be taken occasionally. They feel, however, that samples should not be taken for testing unless the Customs authorities have good grounds for believing that the goods are not up to quality. Importers should also have the right of appeal and for this purpose, following the analogy of Section 10 of the Bombay Prevention of Adulteration Act, 1925, samples when drawn,

should be divided into three parts, one of which should be delivered to the importer. It should also be laid down that the examination of consignments or samples should only be done at the port of entry and then only before the goods have passed the Customs.

My Committee are very strongly of opinion that no fee should be levied for testing or if it is considered that a fee should be charged, such fee should be refunded in full if it be found that the goods are up to standard.

14. *Clause* 6 (2) (*e*).—My Committee find it difficult to envisage what documents will be required to be produced in order to prove the quality of drugs. They recommend that a certified invoice from the manufacturers should be sufficient for all practical purposes.

15. *Clause* 6 (2) (*f*).—My Committee feel that the wording of this clause is ambiguous as it is not clear whether Government propose that no drugs and medicines shall be imported except under licence, or whether they contemplate licensing the import of certain drugs only and not all drugs. If the latter is intended, as some of the members of the Chamber consider should be the case, the words "prohibit the import of any specified drug or drugs" should be substituted for the words "prohibit the import of drugs or any specified drugs."

If, however, the former is intended my Committee are of opinion that each importing house should be given a comprehensive licence to import all drugs and biological products the import of which is not prohibited under clause 3 and including those for which special licence will be issued to manufacturers as suggested above under clause 3 (*c*).

My Committee consider that the fees to be charged under this and other clauses of the Act in respect of licences should not be looked upon as sources of revenue but should be merely nominal, the licences being regarded only as a means of controlling imports.

16. *Clause* 6 (2) (*h*).—My Committee would view with grave concern any regulations which would lead to interference by Government with the style of packing already adopted and accepted as being reasonable and adequate in the Indian market as many of the drugs and medicines now being imported are known by their packages, but they agree that Government should have powers to protect the honest drug trade and the public from unsuitable and/or dangerous packages being used for the packing of drugs.

17. *Clause* 6 (2) (*i*).—My Committee would also view with concern any interference from Government with the actual labelling of drug containers provided such labelling was reasonable and did not contravene provisions under the Bill to prevent misbranding. At the same time they appreciate the necessity for provision to regulate labelling in certain respects, e.g., having poisons distinctly marked as such.

18. *Clause* 6 (2) (*j*).—The following proviso should be added to this clause " Provided that the maximum proportion so prescribed shall in no case be less than the maximum dose prescribed in general medical practice."

19. *Clause* 6 (2) (*k*).—Owing to the very wide definition of the term " drug " laid down in clause 2 (*a*) my Committee consider that the intention of this clause should be more clearly interpreted and that the wording should therefore be amended to read as follows :—

(*k*) require that the name of any specified substance shall be conspicuously printed on the label or wrapper of any patent or proprietary medicine containing such substance.

20. *Clause* 6 (2) (*l*).—After the word " manufacture " the following proviso should be added " Provided the vaccine has deteriorated or the anti-toxin units are less than the number given on the label."

The following proviso should also be added " Provided further that the prescribed period shall not be less than that laid down by the Permanent Commission on Biological

Standardisation of the League of Nations or the British Pharmacopœia."

21. *The Schedule.*—The vaccines and sera, other biological products and organo-metallic compounds mentioned under (2), (3) and (4) are not really standards. Particularly in the case of (2) and (3) the wording should more appropriately be " The activity must be expressed in units adopted by the Permanent Commission, etc." instead of " The standards proposed by the Permanent Commission, etc."

My Committee do not understand why the " Extra Pharmacopœia " has been inserted in the Schedule as laying down any standard to be complied with. The Extra Pharmacopœia, which is recognised in Great Britain as " Martindale," lays down no standard whatever ; it is simply a volume of reference containing particulars of a large number of drugs and medicines which are on the English market. Any statements in Martindale with regard to standard or quality are either copied from the British Pharmacopœia or the British Pharmaceutical Codex, or in the case of proprietary medicines, simply reiterate the statements which are made by the manufacturers. Nowhere in the Extra Pharmacopœia is there, nor has there ever been, any attempt to specify a standard, official or otherwise. This prerogative is exercised solely by the Pharmaceutical Society in conjunction with the General Medical Council and the Ministry of Health. For these reasons the reference to the Extra Pharmacopœia in the Schedule should be eliminated.

INSURANCE LEGISLATION IN INDIA.

Letter No. 1999-99, dated 24th June 1937, from the Bombay Chamber of Commerce to the Secretary to the Government of Bombay, Finance Department, Bombay.

I have the honour to refer to your letter No. 2738/33-D (2) of the 22nd March 1937, requesting the views of the Chamber on the Bill to consolidate and amend the law relating to the business of insurance. The Committee of

the Chamber have examined the Bill in detail in consultation with a special Sub-Committee but before setting out their comments on the various sections of the Bill they desire to make some general observations and they would in particular draw attention to their comments on the sections dealing with Managing Agents (Section 24) and Commission and Rebates and Licensing of Agents (Sections 33 and 34).

2. The primary object of the Bill is to promote the healthy development of all kinds of insurance business in this country, and to safeguard the rights and interests of policyholders. That there is an urgent need for this in respect of life insurance cannot be denied. In recent years a large number of small companies, inadequately financed and unsoundly managed, have entered the field of life insurance, and it is generally admitted that it would be in the interests of the insuring public that such companies should be put on a sound basis, or amalgamated with others at the earliest possible date. The same may be said of a considerable number of so-called Provident Societies, and it is satisfactory to note that the proposed legislation very considerably tightens up the law in respect of such concerns. Provident Societies are separately dealt with in Part III of the Bill.

3. My Committee agree in principle that after the passing of the Act no insurance company should be permitted to appoint a Managing Agent for the conduct of its business, but they cannot accept the provision in Section 24(2) that, despite any contract to the contrary, existing managing agencies shall be abolished within three years of the passing of the Act. Even admitting that managing agents are not necessary for the successful development of insurance business in India my Committee regard it as definitely unfair, and unnecessarily drastic, that existing contracts should be so abruptly terminated. Experience during the passage of the Indian Companies Act, 1936, shows that there is little or no chance of securing provision for compensation to

managing agents whose contracts are so terminated. This being so my Committee recommend, as will be seen later, that the Indian Companies Act be followed in this respect and that existing contracts shall not be compulsorily terminated earlier than 20 years after the passing of the Act.

If it is found impracticable to secure this my Committee consider the period should not in any event be less than ten years.

4. Much has been heard of the allegation of unfair competition by non-Indian insurance companies, more particularly in respect of other branches of insurance than life insurance. Mr. Sen in his report came to the conclusion that the agitation is unfounded. The Hon'ble the Law Member in his speech introducing the Bill stated that Indian Insurance interests who had been given an opportunity of stating their case before the Advisory Committee were " unable to make out even a *prima facie* case of unfair competition." It was suggested to the Advisory Committee that one remedy for the alleged " unfair competition " was the fixing of limits on rebates and commissions. In spite of the Law Member's statement quoted above provisions have been included in sections 33 and 34 to limit commissions and rebates.

I am desired here to quote two further extracts from the Law Member's speech which concern this particular question.

" The subject of commissions and rebates and licensing of agents is a matter which has been found to be one of great difficulty. Weighty considerations may be urged for the provisions contained in the Bill as also against them and the matter will require very careful consideration in the Select Committee and later in this House. The Bill has adopted measures which have been advocated by a fairly large section of Indian opinion received but I am breaking no confidence if I inform the House that some of the members of the Advisory Committee at whose instance these provisions have been included in the Bill are not very firm in their conviction now."

" My firm belief is that when the matter is further discussed it will be found that the remedy of fixing limits for rebates and commissions is open to serious objections, and I am pretty confident that the objection will come not from foreign companies but from the smaller Indian companies. I have an open mind on this matter and I do not commit myself to any final opinion."

5. In regard to the question of limitation of commission payable dealt with by the provisions of Section 33 (2), it is thought by a minority of my Committee that the provisions are desirable : (*a*) because they would tend to improve and consolidate insurance business generally from the point of view of both the insurer and the insured ; (*b*) because it is believed they would provide some measure of protection for the Indian insurer and the Indian policy holder against non-Indian insurance companies.

The majority of my Committee do not accept this point of view because they think, in the first place, that any question of the protection of Indian insurance business should not appear as a Section of a Bill of this description dealing mainly with the internal regulation of insurance business itself. And secondly they consider that there is in any event a very cogent argument against the introduction of such provisions. There are innumerable ways by which unscrupulous insurers and/or their agents can evade such restrictions without risk of detection. If such provisions are made law, there should be no doubt whatever that they can be enforced. In the opinion of the majority of my Committee such provisions would be administratively impracticable. They would tend to penalise the business of the honest insurer and would tend to result in the dishonest insurer and/or agent profiting at the expense of the honest one. Though there is no difference of opinion on the desirability of improving the general conditions of insurance business along the lines indicated by the Bill as a whole, it is felt that control should be exercised in those directions where there can be no doubt of its good result. With a general improvement of conditions and status, the more intractable internal problems may well be left for settlement by Insurance Companies themselves.

6. In connection with section 34 (1) and (2)—Prohibition of Rebates—opinion is also divided, those in favour of its inclusion consider that it would be effective to an extent which would help insurance to a healthier basis

and/or serve as protection for the indigenous insurers, whilst those against do not consider it could be effectively enforced and would therefore do more harm than good as it would penalise both the honest insurer and policy holder. It is however felt that the basis of the objections to these provisions on the ground of impracticability is not so serious as it is in regard to restrictions of commissions.

7. In their detailed examination of the Bill my Committee have found several instances where it is not made clear whether the provisions apply only to life business or to all classes of insurance. They suggest that these uncertainties should be removed either by specific references or marginal notes as to the classes of insurance to which the sections refer.

8. I now set out, seriatim, my Committee's comments on the above and other sections of the Bill :—

Part.	Section.	Sub-section.	
I	2	(5)	The Committee of the Chamber are strongly of opinion that investment in Indian Sterling Loans should be permitted in addition to Government Securities as defined in the Indian Securities Act of 1920.
I	2	7 (*a*) (1)	There should be a clear definition of the word "Agent," as used in Section 49, as distinct from the "insurance agent" to be licensed under Section 35. (*Vide* comments on Section 49.)
I	2	(8)	The Committee desire to draw attention to the fact that in many Life Assurance Policies disability and double indemnity accident benefits are included and even though additional premium is paid on that account the whole transaction is treated as a part of the Life Insurance. Further, Clause 10 of Part II of the Fourth Schedule appears to envisage the inclusion of disability benefits in life policies. As the Bill is drafted there appears to be an element of doubt and since it is presumably not the intention to exclude disability and double indemnity accident benefits from

Part.	Section.	Sub-section.	
			life insurance, the Committee consider that Section 2(8) will have to be widened so as to include this scheme of benefits under the definition of "life insurance business."
II	5	(1) (*c*) and (*d*)	It is considered that the amount to be deposited by marine insurers should be fixed at Rupees One Hundred Thousand and not Rupees One Hundred and Fifty Thousand as proposed in sub-section (*c*). Similarly the amount to be deposited by accident and miscellaneous insurers should be fixed at Rupees One Hundred and Fifty thousand and not Rupees One hundred thousand as proposed in Sub-section (*d*).
II	5	(3)	The Committee see no reason why an insurer incorporated after, or commencing business after, the 31st December, 1936, should not make the necessary deposit in one lump sum before registration.
II	6 and 7	(2)	It should be made clear in each case what proportion of the amount of the deposit is to be allocated against each class of business in respect of deposits made under the provisions of Section 5 (1) (*e*) (*f*) (*g*) (*h*) or (*i*).
II	11	(1)	As there are some life insurance companies which carry out an actuarial investigation once in every three years and it does not seem necessary to compel all companies to have an actuarial investigation only once in five years, the words "at least" should be inserted between the words "British India" and "once" in the seventh line of this Sub-section.
II	12	(1)	In some cases, especially, in those where there are branch offices and/or agencies outside British India, it is quite impossible for the documents referred to in section 9 to be completed within three months from the close of the year. It is considered, therefore, that in the case of these documents the period within which they should be furnished to the Superintendent of Insurance should be fixed at six months.
II	16		The period within which an abstract of the proceedings of a general meeting of a company should be furnished to the

Part.	Section.	Sub-section.	
			Superintendent of Insurance should be fixed at thirty days after the holding of the meeting and not fifteen days as proposed. It is presumed that the date of the "holding of the meeting" is intended to be the date of the final adjourned meeting in cases where the business before a general meeting has not been completed and the meeting has had to be adjourned.
II	18		It is presumed that in the event of an appeal to the Court, fines resulting from the application of the provisions of Section 12 will not be imposed pending the result of the Court's decision.
II	18	(1) (c)	It is also presumed that it is not intended that an officer of an insurer shall have to proceed to, say, the headquarters of the Superintendent of Insurance to give evidence before him on oath, but that the evidence will be taken in the town where the office of the insurer is situated.
II	23	(1)	Section 6 (1) stipulates that any deposit made under Section 5 shall be deemed to be part of the assets of the insurer and such deposits have to be made either in cash or Government securities. Section 23 (1) lays down that an insurer specified in Section 2 (7) (*a*) (*ii*) or (*a*) (*iii*) shall invest 33⅓ per cent. of the "total assets of the undertaking" in Government securities. It is presumed that in estimating the total assets the amount of the deposit will be taken into account. It should be made clear whether or not deposits made abroad in conformity with regulations of the country or countries in which the insurer is operating are to be excluded from the "total assets" for the purpose of calculating the amount to be invested in Indian Government Securities. It is considered that such deposits should be excluded from the computation. In view of the fact that the assets of Insurance Companies include other things than cash or securities it is suggested that Government might consider limiting the requirements as to investments to a maximum of 33⅓ per cent. of the total productive investments of the insurer.

Part.	Section.	Sub-section.	
II		2)	The wording of this Sub-section is ambiguous. It can be read to mean that the amount to be invested and kept invested shall be cumulative. If this be so, the proposition is impracticable in the case of all forms of insurance. If, however, the condition laid down relates only to the premium income of the last preceding year then it would be reasonable to apply it to life insurance business but it is not reasonable that it should apply to Companies carrying on other forms of insurance business, whose headquarters are in countries which do not impose similar conditions on Indian Companies which may desire to operate in those countries. It should be made clear for the purposes of this Sub-section the words "premium income" mean "gross premium income." The Committee by a majority are of opinion that the sum to be kept invested under this Sub-section should be the amount of the deposit made under Section 5 or 33⅓ per cent. of the premium income whichever is the greater. Section 23 (2) should be made applicable only to life insurance business transacted in India, as Section 48 confers on the Governor-General-in-Council adequate powers to impose on insurers domiciled or companies incorporated outside British India the same restrictions as by the laws of those countries of domicile or incorporation may be imposed on companies incorporated in British India as a condition of carrying on insurance business in those countries.
II	24	(1)	The Committee agree in principle that there should not be any managing agents for insurance companies. They presume that the definition of "Managing Agent" will be the same as in the Indian Companies (Amendment) Act, 1936, and think this should be included among the definitions under Section 2.
II	24	(2)	For the reasons given in paragraph (3) of their preliminary observations the Committee consider that existing managing agency agreements should not

Part.	Section.	Sub-section.	
			be terminated under this Act until the expiry of 20 years from the passing of it.
II	25	(1)	It seems clear that in drafting this section the draftsman had in mind only life insurance companies, but the section as drafted is made to apply to all types of insurance. This is unnecessary. The section should be made applicable only to companies transacting life insurance business. The Committee consider that it would be unfair in the case of the larger companies, to allow so small a number as twenty policy-holders to sign a requisition under this section demanding an investigation into the affairs of an insurer. They think that the minimum number should bear some relation to the total number of policy-holders in the Company and they recommend therefore that the words "or by not less than twenty policy holders" appearing after the words "share capital" in the twelfth line should be substituted by the words "one per cent. of the whole body of policy-holders or 100 whichever is the lesser." If this is done there will be no need to specify the minimum aggregate value of the policies to be held by the requisitionists and the words "and are of the total value of not less than twenty thousand rupees" appearing in the 14th and 15th lines, may be deleted.
II	25	(4)	The word "reasonable" should be inserted between the words "any" and "time."
II	28	(3)	The words "who is resident in British India" should be deleted from the eighth and ninth lines as notice of a proposed amalgamation or transfer should be sent to all policy-holders irrespective of where they reside. In the 13th line of this Sub-section the words "or agencies" should be deleted. It will be more than sufficient if the documents in question are kept open for inspection at the principal and all branch offices.
II	30		A period of one month is inadequate for the purpose of drawing up the certified copies and the declarations

Part.	Section.	Sub-section.	
			required to be sent to the Governor-General-in-Council and this should be extended to three months.
II	31		The heading of this Section should read :— "Assignment or Transfer of Policies of Life Insurance and Nominations thereunder."
II	31	(1)	For the protection of lenders against the security of policies of life insurance it is clearly desirable that assignments by separate instruments should be prohibited, but it is thought that this will hardly be found practicable.
II	31	(5)	This Sub-section should be amended to read as under :— "From the date of the receipt of the notice referred to in Sub-section (2) the insurer shall, subject to any saving clause in the endorsement or the instrument of assignment, recognise the transferee or assignee as the person" "entitled to benefit under the policy, and such person may institute any proceedings relating to the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings."
II	32	(1)	The words "The applicant for" should be substituted for the words "The holder of" in the first line. The words "the insured may" should be inserted between the words "or" and "at" in the second line.
II	32	(2)	Section 32 should be redrafted to insure that the protection provided by the Married Women's Property Act, (III of 1874) as amended by the Married Women's Property (Amendment) Act (XIII of 1923) is unimpaired.
II	33	(1)	The words "or for collectingp remiums from policy holders" should be deleted as the Section as it stands would seem to preclude the collection of premiums by the salaried staff of the insurer. It is not considered desirable or necessary to refer in the Proviso to this sub-section to over-riding commission or profit commission. The intention of the proviso appears to be to exclude *bona fide* employees of the insurer from

Part.	Section.	Sub-section.	
			the provisions of the sub-section. The Committee consider it should be amended to read as follows :— "Provided that this Section shall not apply to any remuneration or reward by way of commission or otherwise paid or agreed to be paid by an insurer to a managing agent, managing director, manager or other officer of the insurer or to any member of the salaried staff of the insurer."
II	33	(2)	As mentioned in paragraph 5 of the preliminary remarks the Committee are not unanimous in respect of this sub-section.
II	34	(1) & (2)	In the case of this sub-section also the Committee are not unanimous for reasons given in paragraph 6 of their preliminary remarks. If, however, this section is retained the following words should be added at the end of Section 34 (2) :— "and the Superintendent of Insurance may cancel the license issued to him." Also if this section is retained the Committee consider that the receiver of an illicit rebate should be punishable equally with the giver.
II	35	(1)	The words "and collecting insurance premium" appearing at the end of this sub-section, should be deleted.
II	35	(3)	The words "who may employ him" should be substituted for the words "by whom he may be employed" as insurance agents frequently work for more than one insurer. The Committee consider that licenses issued under this section should be valid for a period of 12 months only, subject thereafter to annual renewal. In practice such renewal would be more or less automatic unless an agent had in any way infringed any of the provisions of the Bill. They recommend therefore that Sub-section (4) should be re-numbered (5) and that a new Sub-section (4) should be included as follows :— "A license issued under this section shall be valid for 12 months from the date of issue unless cancelled under any of the provisions of this Act."

Part.	Section.	Sub-section.	
II	37.		With regard to the words "or in any agreement relating thereto" in the 4th and 5th lines of the section, the Committee assume, and think it should be made clear, that this refers only to any agreement between the insurer and the insured. This section provides that the holder of a policy of Insurance issued in British India shall have the right, notwithstanding anything to the contrary contained in the policy, to sue for any relief in respect of the policy in any court of jurisdiction in British India. Condition No. 18 in the standard Fire Insurance policy in common use throughout India is attached to this report (Appendix A). The effect of this condition is that when a dispute arises solely as to the amount of loss the question has to be submitted to arbitration before the courts can intervene, but if Section 37 is passed in its present form the policy holder might be entitled to sue in any court of competent jurisdiction and to demand that the arbitration clause should be ignored. The Committee further think it desirable that in respect of policies other than policies of life insurance issued in any of the Presidency towns all legal proceedings in respect of claims under such policies shall be instituted in the respective Presidency towns. This appears at present among the warranties which are attached as conditions of most policies. A typical example of a warranty attached to policies issued in Bombay is given in Appendix B.
II	38		It is clearly necessary to provide in this section not only for policies maturing for payment by the death of the insured but also for those maturing for payment by survival. Accordingly the following amendments should be made in Sub-sections (1), (3) and (4).
II	38	(1)	The words "by death or survival" should be inserted between the words "maturing" and "for" in the second line of the sub-section.
II	38	(3) (*a*)	The words "at time of death" should be inserted after the word "address."

Part.	Section.	Sub-section.	
			A new Sub-clause (*c*) should be inserted after Sub-clause (*b*) reading as follows :—
			(*c*) in the case of a policy maturing for payment by survival, the name of the insured and his last known address ;
			Sub-clauses (*c*), (*d*), (*e*) and (*f*) to be re-lettered (*d*), (*e*), (*f*) and (*g*) respectively.
II	38	(4) (*a*)	After the word " or " in the third line of this sub-clause the words " maturity of the policy by survival, or " should be inserted.
II	38	(4) (*b*)	For the last word " deceased " the word " insured " should be substituted.
II	38	(6)	The words " deposit with " should be substituted for the words " make to " in the third line of this sub-section.
II	39	(2) (*a*)	The words " or by not less than twenty policyholders " appearing after the words " share capital " in the sixth line down to the end of the sub-section should be substituted by the words ' one per cent. of the whole body of policyholders or one hundred whichever is the lesser ; or ".
			(See the Committee's remarks under Section 25 (1) .)
II	40		Cases arise where a parent company may wish to wind up a subsidiary and the Committee consider that these should be provided for.
			The Sixth Schedule—the note should read " See Section 41 " not " 40."
II	41		In so far as this Section applies to an Insurance Company transacting *Life* Insurance, the assets and liabilities of the insurer can be determined accurately, only by a qualified Actuary. It therefore seems essential that a definite stipulation should be made that the person, designated as " Liquidator or receiver in insolvency " in Section 41 (1), or as " Liquidator of official assignee or receiver " in the Sixth Schedule, should be a qualified Actuary, or, failing this, should be obliged to consult a qualified Actuary and act on his advice.
II	46 and 47	(1)	It would appear that Section 46 and Section 47 (1) can only refer to life insurance and possibly Government have overlooked this fact.

Part.	Section.	Sub-section.	
			The Committee recommend that the marginal headings might be amended to show that Sections 46 and 47 refer only to life insurance.
II	49		A majority of the Committee agree with the provisions of the section. They note, however, that the word "agent" is again used in this clause and they consider that it should be made perfectly clear that the person referred to is not the licensed insurance agent contemplated under Sections 33, 34 and 35.
			They can see nothing in the Bill to prevent an insurer from appointing innumerable agents in India, the majority of whom would in fact be intended not to "manage and conduct" the business but to "solicit and procure insurance business." With the latter as the intention it is necessary that such "agents" should be licensed under Section 35, but it seems to the Committee that there is a possibility of this being avoided merely by a change of name and designating such agents "Branch Managers."
			After due consideration the Committee find themselves unable to formulate any satisfactory amendments to cover the two points mentioned and they therefore desire to draw the attention of Government to the difficulty in question and to recommend that steps be taken to provide adequate distinction under the Act between insurers' agents and insurers' managers.
			The majority of the Committee are of opinion that an agent holding a power of attorney from a non-resident insurer to manage and conduct the business of such insurer at any place or places within British India at which such insurer shall establish, or shall have established, a place of business, should not be deemed to be an Insurance Agent within the meaning of Sub-section (1) of Section 33 of the Act, and should be exempted from the provisions of Section 35 of the Act.
			The minority of the Committee representing Indian indigenous insurers dissent from this view. The documents etc., that are required to be filed with

Part.	Section.	Sub-Section.	
			the Superintendent of Insurance under Sub-sections (*a*), (*b*), (*c*) and (*d*) of Section 49 have already to be registered with the Registrar of Companies under the provisions of the Indian Companies Act and if the information has to be filed again with the Superintendent of Insurance the Committee consider that no fresh fee should be charged for such filing.
II	50		The section is impracticable as much of the information required can only be compiled by the Head Offices of Companies and it is clearly unreasonable to expect branches and agents to keep the same books as are kept at Head Offices.
III			It is noted that there are a certain number of private mutual benefit societies, such as the Independent Order of Rechabites and the International Order of Buffaloes with Head Quarters outside British India who receive from their members premiums or contributions for insuring money to be paid on the happening of all or some of the contingencies referred to in Section 51 of the Bill. It is presumed that the provisions of Part III will apply to these Societies provided their premiums, etc., come within the limits laid down by that part.
III	52		The Committee consider it should be made clear that a Provident Society which operates on a larger scale than is envisaged in this section shall, when thereby excluded from the provisions of Part III, automatically become subject to the other provisions of the Act relative to insurers. They therefore recommend that the following additional proviso be added to the section. "Provided further that any Provident Society which pays or undertakes to pay or receives or undertakes to receive amounts in excess of those specified in this section shall automatically be subject to the provisions of the Act relating to insurers."
III	56	(2)	Sub-sections (*b*) and (*c*) should be re-lettered (*c*) and (*d*) and a new sub-

Part.	Section.	Sub-section.	
			section (*b*) should be added similar to Sub-section 3 (2) (*b*), viz. :— "(*b*) The name, address and occupation, if any, of each director, manager and/or Secretary in British India (See 59 (1) (*n*) (*i*))."
III	58	(1)	The Committee note that the maximum amount to be deposited is Rs. 50,000. There is no objection to this provided the Committee's recommendation under Section 52 is adopted. The Committee consider that provision should be made to cover the case of Provident Societies which might operate within the limits of Section 52 but whose total premium income might become so high as to warrant a larger deposit.
III	63		The Committee consider that whenever the subscribed capital of a provident society is mentioned in any notice. advertisement or other publication, the paid-up capital should also be stated. It is suggested therefore that the section should be amended to read as under :— "Where any notice, advertisement or other official publication of a provident society contains any statement of the amount of the authorised or subscribed capital of the Society the publication shall also contain a statement of the amount of the capital paid up.
III	73	(3)	As in the case of insurers coming under the provisions of section 40, cases may arise where a parent Provident Society may wish to wind up a subsidiary. The Committee consider that this should also be provided for.
III	78	(6)	The Committee consider that the period of three years is too short and should be at least seven. In any case the period should be governed by the date of application to the Court and not by the date of an Order of the Court, as an application may be made within the stipulated period while an Order of the Court may not be made until some years later. The sub-section should, therefore, be amended to read as follows :—

Part.	Section.	Sub-section.	
			"(6) If within a period of seven years from the date on which any sums have been made over to the Superintendent of Insurance under Sub-section (5) an application has not been made to a Court of competent jurisdiction at the instance of any claimant to such sums for their disposal, the said sums shall become the property of Government."
IV	81	(1) & (2)	The Committee are of opinion that the words "and wilfully" should be inserted after the word "knowingly" in the 5th line of sub-section (1) and the 4th line of sub-section (2). These words are used in Section 34 (2). *q.v.*
IV	84	(1)	All processes or notices under this section should be sent by registered post and in any case should not be "left at" the address of the person authorised to accept notices. It is recommended, therefore, that the word "registered" should be inserted before the word "post" in the fifth line of sub-section (1) of Section 84 and that the words and comma "left at," in the same line and the comma after the word "to" at the end of the line be deleted.
IV	86		It is suggested that the following proviso should be added at the end of the section :— "Provided that, if after such enquiries as he may deem necessary, the Governor-General is satisfied that such alteration will not adversely affect the interests of the policyholders in India."
IV	88		The following proviso should be added to the Section :— "Provided that such notification shall be published in the *Gazette* of India not less than three months prior to the date on which it is intended to grant exemption, and that such exemption shall not be granted until due consideration has been given to any objections which may have been addressed to the Superintendent of Insurance."
IV	89		The word "explanation" should read "exception."
IV	90		The closing inverted commas should appear immediately after the word "deceased." The dots should be deleted.

Part.	Section.	Sub-section.	
First Schedule	Part II	Form A Note (*g*)	In order that all Balance Sheets may be uniform it is desirable that Companies should not be given the option of showing the gross or the net figure of Agents' Balances and Outstanding Premiums. The Committee prefer the gross figure to be given with the corresponding liability shown on the other side of the balance sheet in respect of commissions due. The Committee recommend therefore that the words "Either this item must be shown net or" in note (*g*) should be deleted.
		Form A Note (*k*)	After the words "office furniture" the words "including fittings, motor cars, etc." should be inserted. The Committee are of opinion that the items enumerated under note (*k*) need not be shown in the Balance Sheet once they are completely written off, and that this should be made clear by an addition to the footnote.
Second Schedule	Part II	Form B	The Committee consider that remuneration paid to Directors should be shown separately in the Profit and Loss account and that the items should be amended to read :— "(*i*) Expenses of Management (not apportioned to any particular Fund or Account) excluding Directors' remuneration. (*ii*) Directors' remuneration." In the third item in the right hand column the words "if taken into account" should be inserted between the word "Investments" and the bracket and word "(not."
Second Schedule	Part II	Form C	It is presumed that this form is intended only for the guidance of Companies which publish a Profit and Loss Appropriation Account. The Committee do not consider it necessary for this Account to be published if a Profit and Loss Account is published as the required information can be quite conveniently shown, and often is shown, in the Profit and Loss Account.
Third Schedule	Part II	Form E	In respect of Marine business it is almost impracticable to comply with the requirements of footnote (*c*) and the footnote should be deleted.

Part.	Section.	Sub-section.	
			This requirement is in the existing Act but it seems probable that most insurance companies are forced, owing to the short time allowed, to put in estimated figures.
Third Schedule	Part II	Form F	It will cause very considerable difficulty and it will be quite incommensurate with the trouble involved to separate business done within British India from that done in Indian States and foreign territory in India. The Committee recommend therefore that the word "British" should be deleted wherever it appears in footnote (*d*) and in the footnote marked with an asterisk.
Fourth Schedule	Part II	Clause 5	As pointed out in the Committee's notes on Section 11 (1) some life insurance companies carry out an actuarial investigation once in every three years. The Committee feel therefore, that the statement of the average rates of interest yielded by the assets should relate to the periods covered by the abstract. It is recommended therefore that the words "each of the years covered by the abstract" should be substituted for the words "each of the five years preceding the valuation date."

Appendix A.

Condition No. 18 in the Standard Fire Insurance Policy in use throughout India.

If the difference arises as to the amount of any loss or damage such difference shall independently of all other questions be referred to the decision of an arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator; and in case of disagreement between the arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the arbitrator, arbitrators or umpire respectively; and in the event of the death of an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The cost of the reference and of

the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator, arbitrators or umpire of the amount of the loss or damage if disputed shall be first obtained.

Appendix B.

Warranty Clause.

Warranted that in case of any claim arising in respect of the property hereby insured the same shall be settled and paid in Bombay and the entire cause of action shall also be deemed to arise in Bombay, and further that all legal proceedings in respect of any such claim shall be instituted in a competent Court in the City of Bombay only.

INDIAN RAILWAY ENQUIRY COMMITTEE.

Letter No. 3557-283, dated 28th October 1937, from the Bombay Chamber of Commerce to the Secretary to the Government of India, Railway Department (Railway Board), New Delhi.

I have the honour to inform you that the Report of the Indian Railway Enquiry Committee, 1937 has been under the consideration of the Committee of this Chamber and I am desired to communicate their views thereon to you as under.

2. In the first place I am to state that as many of the criticisms and recommendations of the Indian Railway Enquiry Committee relate to technical matters or matters of internal administration on which my Committee are unable to express any opinion, my Committee propose to confine their comments in the main to matters which are of importance to the travelling public and to merchants and manufacturers.

3. *Economies.*—In Chapter III of the Report the Enquiry Committee deal with the possibilities of economies in the various Departments of the Railways, and the only recommendation to which my Committee think it necessary to direct attention is (in Paragraph 52) that the building of railway carriages should be concentrated in three main works, two for broad gauge stock and one for metre and

narrow gauge stock. On the face of it this appears to be a sound recommendation and one which should lead to considerable economies.

4. In paragraph 68 mention is made of the Economy Research Committees which were created as a result of the investigations by Mr. Pope in 1932/33 and 1933/34. The figures given, which show the cost of the special organisations on the various railways and the savings effected, appear amply to have justified their formation and my Committee endorse the view of the Wedgwood Committee that they should be continued.

5. In paragraph 69 the Enquiry Committee discuss the desirability of closing unremunerative branch lines. My Committee think this important question requires very thorough examination and they also think that before any final decision is taken Provincial Governments concerned must be approached and asked whether they wish the services to be continued and if so whether they would be prepared to make any contribution towards the cost.

6. *Speeding up of Trains.*—When dealing with the Traffic Departments of Railways and again, later in the Report, with the question of Road-Rail competition the Enquiry Committee stress the desirability of accelerating the passenger time-table, both in view of the resultant operating advantages and as a means of competing with road traffic. Timings for long distant passenger trains are frequently dependent on the convenience of passengers, i.e. the trains are timed to leave the main capital cities at a reasonable hour in the evenings and to arrive at a reasonable hour in the mornings. My Committee understand, however, that another factor which militates against the faster running of passenger trains is that there is an insufficient number of repair gangs to keep the permanent way up to the required standard, and they consider this is a matter which should be given careful attention. My Committee particularly wish to endorse the views expressed by the Enquiry Committee

in paragraph 59 as it seems clear at least that the acceleration of medium distance and branch line trains would help in competing against road traffic.

7. In the Report there are some interesting comparisons of the average daily journeys of goods trains in India and South Africa, and it is pointed out that on the whole there is room for considerable improvement in the daily journeys of such trains in India. My Committee endorse the views expressed in paragraphs 60 and 62/64, as it appears to them that adoption of the Enquiry Committee's recommendations in these paragraphs would lead to a more economical use of rolling stock generally.

8. *Passenger Accommodation.*—In paragraphs 71 and 72 the Committee refer to the possibility of combining the first and second class accommodation on the main lines and abolishing first class accommodation on branch lines, but my Committee cannot altogether agree with these recommendations. In their opinion a pre-requisite of any combination of first and second class accommodation is an adequate supply of two berth compartments. They are also of opinion that if first and second classes were combined a new scale of upper class fares would have to be fixed, which would be somewhere mid-way between the present first and second class fares. This would result no doubt in a large number of passengers who at present travel by second class going by inter class in future, and my Committee are of opinion that the standard of the latter accommodation would have to be considerably improved. As regards the abolition of first class accommodation on branch lines my Committee consider this step should only be taken in instances where experience has shown that there is no demand for this accommodation. On a number of branch lines where trains are run throughout the night first class sleeping accommodation will, my Committee think, continue to be required.

9. *Audit.*—My Committee have been much impressed by the relatively high cost of audit on Indian Railways

compared with British Railways, as set out in paragraph 83 of the Report, and they support the Enquiry Committee's recommendation that the audit department should be simplified and brought more on the lines of an ordinary commercial audit.

10. *Stores Purchase.*—My Committee endorse the recommendation in paragraph 88 that the purchase of railway stores through the Indian Stores Department should be gradually extended and they consider that this Department as at present constituted passes the test of impartiality and of being above suspicion.

11. *Discipline.*—My Committee are of opinion that many of the complaints against the conduct of Railway employees, as mentioned in paragraphs 101/3, apply more particularly to the case of 3rd class passengers, who are frequently victimised and who often receive uncivil treatment from the railway staff. My Committee particularly wish to endorse the views expressed by the Enquiry Committee in the first two parts of paragraph 102 as they consider that the lot of the third class passenger leaves much to be desired and that the amenities for his travel should be very considerably improved.

12. *Commercial Organisation.*—My Committee place much importance on the proper development of the commercial organisation of railways, as referred to in paragraphs 115 and 116. It is possible that more has not been achieved in this direction, owing to the inquisitorial attitude of the Audit Department to extra expenditure. Under advertising and publicity there does not appear to be sufficient appreciation of the necessity for expert management, which is unlikely to be successful unless directed by specialists. The Enquiry Committee express the view that careful recruitment in Great Britain for some of the higher staff posts is desirable, but my Committee think it possible that suitable and experienced men can be found in India and that this source should be explored before recruitment from Great Britain is decided upon.

13. *Rates and Fares.*—My Committee agree with the Enquiry Committee's view that a general reduction of charges will not stimulate traffic to the extent necessary to bring increased nett revenue to the railways. At the same time my Committee endorse equally their opinion that prevailing conditions in India do not warrant any general increase of charges, but that individual rates should be carefully examined with a view to seeing where any reductions or increases are necessary either to stimulate traffic or to level up to some extent the disparity in rates for different commodities which are in force on the different railways. My Committee realize that it is hardly possible to have uniform rates in all parts of India for the same commodity, as in fixing these rates consideration has to be given to local conditions, competing forms of transport, etc. but generally speaking it is clear that the greatest measure of uniformity that is possible should be aimed at. In respect of many commodities my Committee are of opinion that there is an unjustifiably large margin between owners' risk and railway risk rates, and they think this question requires special examination.

14. Up to some years ago the bulk of the rail traffic in India was to and from the main ports and rates were framed accordingly. This no doubt is the reason for the complaint made to the Enquiry Committee that many of the rates in force facilitate the import and export trade to the detriment of Indian industries. When the Chamber's representatives gave evidence before the Enquiry Committee last December they stated that they did not consider that railway rates in India had been adjusted as necessary to keep pace with industrial development and the changing conditions of distribution of goods resulting therefrom. This is a matter which clearly requires early examination and it is to be hoped that the Enquiry Committee's recommendations in this regard will be acted upon with as little delay as possible.

15. In paragraph 132 reference is made to the necessity of ensuring that enquiries for rates from the public should be promptly dealt with and that individual stations should be in a position to give such quotations with reasonable accuracy. My Committee particularly endorse the views of the Enquiry Committee on this question as set out in the 1st and 3rd paragraphs on page 85 of the Report.

16. *Road/Rail Competition.*—Before commenting on any of the Enquiry Committee's views and recommendations on the general question of road traffic my Committee wish to draw attention to the fact that throughout their report the Enquiry Committee deal only with motor vehicles and make no reference whatever to bullock carts. The aggregate weight of goods carried by the latter, in some parts of the country over very considerable distances, is very much greater than is carried in motor vehicles. A census taken in 1935 of the traffic on six of the main approaches to Delhi showed that the average weight of goods carried daily into and out of the City by bullock cart was almost four times as great as that carried by motor vehicles. It is well known how great is the damage done to roads by metal tyred bullock carts and omission to deal with this aspect of the problem and the total tonnage of goods so carried has resulted, in the opinion of my Committee, in an incorrect presentation of the case in relation to road/rail competition.

17. My Committee consider that the time has not yet arrived for restriction of the roads on which passenger vehicles or goods lorries may travel, except in so far as the state of any particular road or bridge may not be adequate. My Committee are of opinion that all the regulations set out in paragraph 142 should be brought into force under a system of licenses or road service permits and when regulations for third party insurance, fitness of vehicles, overcrowding and overloading, speed limits etc. have been introduced and are functioning satisfactorily competition

between road transport and the railways can be considered as resting on a fair basis.

18. As regards regulations for passenger road transport, my Committee agree that such services should be regulated by a system of route licensing and that time-tables for each route should be fixed. My Committee recommend, however, that minimum rates calculated on a sound economic basis should be fixed by the licensing authority in co-operation and agreement with the road transport companies concerned.

19. My Committee accept the proposed system of regional licensing for public goods road transport, but in the case of privately owned lorries carrying the owner's goods, these should be subject only to the regulations set out in paragraph 142 and the districts through which they are permitted to travel be uncontrolled. If, as has been suggested, such an arrangement is open to abuse, ways and means must be found to counteract it. My Committee do not agree that fixation of rates for goods transport by roads is feasible.

20. *Railway Participation in Road Transport.*—The suggestion has been made in the Report that Railways should be prepared to embark on road services even if they have to face losses. My Committee do not agree with this point of view and recommend that Railways should not interest themselves in road transport under present circumstances and until the licensing system is in satisfactory operation, when there would be a fair chance either of running their own road services profitably in competition with and in the same terms as outside companies, or benefiting by owning a financial interest in an independent company.

21. Regarding the question of "Feeder Services" my Committee think that railways should give every encouragement to Companies operating *bona-fide* feeder services. They would draw attention to paragraph 161

where it is recommended that railway administrations desirous of engaging in passenger road services should submit definite proposals to Provincial Governments. My Committee see no reason for such procedure, and consider that railways should submit their proposals to the constituted licensing authority in the same manner as other road transport companies.

22. My Committee do not consider that it is practicable to tax diesel fuel oil as suggested in paragraph 154, as it is used throughout the length and breadth of India in stationary engines. It is only equitable, however, that diesel oil vehicles should bear approximately the same aggregate taxation as petrol driven vehicles of similar capacity and power and it will therefore be necessary to work out a basis of taxation on diesel oil vehicles with this end in view.

23. *Road Competition—Counter Measures.*—My Committee support the remarks in Chapter XI under the heading "Collection and Delivery." A great attraction of road transport is that it is able to give door to door delivery and it is considered that Indian Railways will be forced to follow suit to counteract competition.

24. As regards the question of "containers," while this development is highly desirable my Committee do not regard it as a really practicable proposition at the present time, as even at the principal stations the concentration of traffic is not sufficiently high.

25. My Committee are inclined to the view that the Railway authorities have not sufficiently realised the urgent need to reconcile themselves to lower minimum loads and lighter trains. Quick transit is becoming increasingly necessary, and my Committee strongly endorse the views of the Enquiry Committee in this connection.

26. *Public Relations.*—My Committee agree with the recommendations in Chapter XII regarding the provision

of Railway Information offices. These should be numerous and established in all large cities.

27. *Financial Outlook*—My Committee consider that the main consideration in the reorganisation of Railway finances should be, in the first place, to put them on a sound commercial basis with an adequate depreciation fund and adequate reserves, and when such a position is reached, then and not till then, annual surpluses should accrue to the Central Government. My Committee desire to emphasize the necessity of not only making adequate provision for depreciation, but for the building up of a general reserve fund.

28. Whilst agreeing that the Head Office of the Federal Railway Authority should be established in Calcutta, my Committee consider that a separate office should be maintained at Bombay, and that it is not enough merely to hold a certain number of meetings in Bombay each year.

SICK LEAVE AND HOLIDAYS WITH PAY FOR INDUSTRIAL WORKERS.

Letter No. 3580, dated 19th October 1937, from the Commissioner of Labour, Bombay, to the Bombay Chamber of Commerce.

I have the honour to refer to the communiqué dated the 17th August 1937 issued by the Government of Bombay explaining their policy in respect of the industrial worker and to observe as follows :—

2. In para 4 of the communiqué it was stated that for the protection of the industrial population Government visualized the development of a comprehensive system of social insurance. In the absence of the requisite statistical and actuarial material for the purpose, however, Government were considering the feasibility of enacting legislation for leave with pay during periods of sickness and they hoped that the action taken in this direction would pave the way for a scheme of sickness insurance.

3. The problem of granting relief to Indian workers during periods of sickness is not a new one. It engaged the attention of the Royal Commission on Indian Labour who observed that if the question had not been previously raised by Government it would have been forced on their attention by what they had seen in every industrial centre. They pointed out that sickness was an immediate contributory cause of indebtedness and stated that the situation called for the exploration of all methods that might lead to the alleviation of the existing hardships. " Of the great need of the workers for something of this kind," they observed, " there can be no doubt." In view of the above remarks of the Whitley Commission the question of granting relief to Indian workers during periods of sickness does not require any special pleading or justification. In fact, the principle has already been adopted to some extent in this country. Most Government employees are entitled to sick leave with pay for a specified period every year, while the Municipalities, the Port Trust, and the Railways have liberal schemes of sick leave with pay for their employees. Some private employers too have schemes of leave with pay for certain classes of their employees.

4. In Western countries the first steps in this direction were taken as early as the eighties of the last century when Germany established a scheme of sickness insurance for industrial workers. Her example has been largely followed by other countries and the position to-day is that no fewer than 38 countries of the world have schemes of sickness insurance, either compulsory or voluntary, affording relief to workers during periods of disability. The two important industrial countries in the East, are India and Japan. The latter has already adopted a comprehensive scheme of sickness insurance, apart from the extensive social services which she maintains for her industrial population. Even China, which is industrially a comparatively undeveloped country, is reported to have a sickness insurance scheme under consideration.

5. Apart from the provision of sickness insurance, a large number of workers in Western countries also enjoy the benefit of an annual holiday with pay. In his annual report the Director of the International Labour Office points out that by the year 1937 not less than 22 countries had established, by law, the right of wage earners to paid holidays every year. In addition partial legislation providing paid holidays for particular classes of workers were in force in 16 other countries, while in others the practice was widely adopted by collective agreements.

6. Government, while having no doubt as to the ultimate goal to be aimed at, realise that conditions do not exist at present in the Presidency for the successful operation of a scheme of sickness insurance as it is understood and worked in the United Kingdom and other foreign countries. At the same time, they feel that a beginning ought to be made in that direction and in their opinion the best method of approach would be to combine sick leave with holidays with pay for industrial workers. In this connection, I am to request you to let me have your views at an early date on the rough scheme which is outlined below.

7. Subject to certain qualifications regarding length of service, every industrial worker will have a legal right to three to four weeks' sick leave with pay during each year, of which he may avail himself under certain easily enforceable conditions regarding certification. If there is any balance of leave left unutilised during the year, it is to be turned into cash—the calculation being based on certain average scale of wages—and the amount thus ascertained is to be handed over to a fund to be maintained by Government. The worker will be required to contribute 10 days' wages to the fund every year. The amounts which may thus accumulate in the account of each individual worker will be drawn upon on his retirement from industry or on his attaining a certain age and will be paid to him either in a lump sum or in instalments. The scheme would thus have some of the characteristics of sickness and retirement, old-

age and death benefits and if successful may pave the way for specific schemes of social insurance on the lines of those to be found in the more advanced countries.

8. As the need for helping industrial workers in the Presidency on these lines is urgent, Government feel that an early start must be made. In the scheme outlined above, Government have merely indicated one likely approach to the problem, but they are fully aware that there may be many others possible. They would, therefore, be glad if your Chamber would examine the question carefully and sympathetically and favour them with their suggestions as regards what may be done in this direction at your very early convenience.

Letter No. 3847/305, of 1937, dated 29th November 1937, from the Bombay Chamber of Commerce to the Commissioner of Labour, Bombay.

I have the honour to acknowledge receipt of your letter No. 3880, dated the 19/21st October 1937, regarding the above subject and to inform you that my Committee sympathise with the desire of Government to introduce a scheme of sickness insurance and holidays with pay for industrial workers and as Government is aware this Chamber has always supported legislation when they were satisfied that such legislation would improve the lot of the worker without tending to decrease the scope of his employment.

My Committee feel, however, that the proposals under review are in their entirety too comprehensive to be translated into practical legislation at the present juncture, and consider that since sick leave, annual leave with pay, and old age and death benefits are each major problems both economic and administrative, a conglomerate scheme of legislation is inadvisable. They would emphasize their view that the rate of advance must be dictated by the capacity of industry to finance its legitimate share of such schemes step by step without imperilling competitive capacity.

If industry is to survive and the scale of employment is not to fall, the increased cost of labour arising out of advanced labour legislation has to be paid for by greater efficiency and understanding from the workers, just as it has to be met, on the part of employers, by greater efficiency in administration. Moreover my Committee are definitely of the opinion that both labour and industry must be given the opportunity of adjusting their position to new conditions arising out of each step of advancement in labour legislation before each further measure, the immediate results of which must inevitably tend to retard the scope of employment and the capacity of industry, is introduced.

Labour in this Presidency is almost entirely illiterate and unadvanced. It is essential, therefore, in the workers interest and that of the country generally that legislation should be directed primarily towards encouraging labour to advance as a condition of the benefits bestowed.

My Committee are of opinion that the benefits of any intended legislation should be confined in the first place to those elements which are sufficiently stable to remain in the same employment for a number of years and sufficiently responsible to contribute towards such benefits as they receive. Unless any suggested scheme is conditioned by these requirements they consider it would be administratively impractical.

Legislation in matters pertaining to sickness insurance, holidays with pay, old age pensions and social benefits of a like character must, in the view of my Committee, be of an all-India character and they therefore urge that, if disastrous consequences both for the workers and the industries of Bombay are not to follow, provision should be made in any legislation of this nature which may be enacted, that it shall not be brought into operation until similar laws are prescribed throughout the other Provinces of India.

In so far as sickness benefits and old age pensions are concerned, the experience of other countries is that contributions towards the cost by the State in the case of sickness

benefits, and provision of the whole or greater part of the cost by the State in the case of old age pensions, must be followed if practical results are to be achieved.

Of all the various benefits under the consideration of Government my Committee feel that sick leave with pay is most likely to be of the greatest economic benefit to industry and labour. Any outright increase of real wages without co-lateral responsibility is to be deprecated as not leading to that co-ordination of labour and management on which all industrial interests ultimately depend.

As an individual and important step towards the improvement in conditions of employment my Committee would be prepared to support a scheme for sick leave benefits with pay of the nature outlined above provided that the amount of sick leave with pay available to a worker is made dependent upon the solvency of the relative funds and that the administration of any such scheme is practical.

ENCOURAGEMENT OF TRADE UNIONS.

Letter No. 2774, dated 20th September 1937, from the Commissioner of Labour, Bombay, to the Bombay Chamber of Commerce.

In the Government communiqué of the 17th August it was stated that " while Government propose to do all that is practicable for the amelioration of the conditions of the working classes, they are convinced that no legislative programme can be a substitute for the organised strength of the working class and, till organisations of workers, run on genuine trade union lines, grow up in the various fields of employment, no lasting good can accrue. Government are therefore anxious to assist in removing real hindrances in the way of the growth of labour organisations and to promote collective bargaining between the employers and the employees. Means will be devised to discourage victimisation of workers for connection with a labour organisation and participation in legitimate trade union activity."

Government are now considering the type of legislation that would be required to give effect to the ideas underlying this statement of policy. They agree with the Royal Commission on Indian Labour that no legislation can ensure that full and free co-operation and discussion between employers and employed, which is so desirable in the interests of the industry and all those who depend upon it. They are also aware that in those countries where negotiations between employers and workpeople have reached their highest development, no legislation of the type contemplated in this Presidency exists, because both parties have realised that (*a*) full recognition should be given to *bona fide* trade unions as the appropriate and established machinery in the discussion and negotiation of all questions of working conditions, including wages and hours, and other matters of common interest in the trade and industry concerned, (*b*) that negotiations between employers and workmen are facilitated by workmen being members of *bona fide* trade unions and by employers likewise being organised and (*c*) that industry benefits enormously from such negotiations. But in other countries such as France and the United States of America these principles have been embodied in legislative enactments, so necessary are they to the welfare of an industrial State.

The Government of Bombay fully realise that, with a few notable exceptions, the trade union movement in this Presidency has received neither the support of the workers, nor of the employers. It is not necessary to discuss the reasons why, but the fact only emphasises the necessity for a radical alteration in the existing conditions in order that the relations between employers and employed in this Presidency may be put on a proper footing and thus bring Bombay into line with other industrial centres of the world in this matter of negotiation between employers and workers.

I am therefore instructed to invite the attention of your Association to the policy of Government as outlined above and to enquire from you the conditions under which you

would be prepared to give recognition to trade unions of employees and what such recognition would connote. I am to suggest for your consideration that, quite apart from absolute freedom from victimisation, that is to say, freedom to belong to any organisation of workers without risk of dismissal or unfair discrimination, and grant of facilities for collective bargaining recognition of trade unions might imply the granting of facilities for carrying out normal trade union work, including :—

1. Permission to collect trade union subscriptions at the time of the payment of wages.

2. Latitude for communications between trade union officials and representatives or leaders of the workers inside the factory.

3. Circulating of notices of meetings of the union and notification of other important information on behalf of the union.

4. Acceptance of letters and answers thereto.

5. Granting interviews to union officials and representatives of the workers.

6. Joint investigations of complaints brought up by the union or the representatives of the workers.

7. Permission to hold meetings inside the mill compound during the interval of rest after previous intimation to the manager.

As it is the intention of Government to give the earliest possible effect to their policy of assisting in removing hindrances in the way of the growth of labour organisations in order that Government may most effectively discharge its responsibility for the welfare of the workers and the peace of industry, I am to ask that a reply be given to this letter by October 5th. I am also to ask that if the members of your Association are unable to agree with the suggestions outlined above, they should offer alternative suggestions of a constructive nature designed to carry out the policy that has been laid down by Government.

Letter No. 3373-330, dated 13th October 1937, from the Bombay Chamber of Commerce to the Commissioner of Labour, Bombay.

I am to refer to your letter No. 2774 dated the 20th of September regarding Government's intention to institute legislation for the encouragement of the growth of trade

unionism in this Presidency and enquiring as to the conditions under which recognition would be given by employers to trade unions and what such recognition would connote.

It is stated by you that the Government of Bombay fully realise that with a few notable exceptions the trade union movement in this Presidency has received neither the support of the workers nor of the employers. My Committee desire me to point out, however, that the lack of support on the part of responsible employers has not been on account of lack of sympathy with such a movement but because the unions which have been formed have been unrepresentative of the workers who must control it if it is ever to secure the legitimate interests of the worker.

I am desired by my Committee to inform you that they are in favour of encouraging the promotion of trade unions providing the trade unions so formed are of a genuine nature and under the efficient control of the workers whom they profess to represent. They feel, however, that the healthy growth of trade unionism should emanate from the workers themselves and that if any attempt is made to force trade unions on illiterate labour other than by the education of the workers themselves towards the responsibilities as well as the benefits arising therefrom, trade unions must be, and can only be, controlled by people apart from the workers themselves, which, in the opinion of my Committee, is highly undesirable and will not be to the ultimate benefit of the workers nor the industries wherein they find their living.

The Government of Bombay has established a conciliation procedure in which an officer appointed by Government has negotiated the settlement of workers' grievances and this procedure has operated in a satisfactory manner.

My Committee desire to assure the Government of Bombay that if and when the trades union movement from within shows signs of healthy growth every support would be offered by this Chamber of Commerce to any steps that

the Government or the Government Labour Officer may consider necessary for the satisfactory development of such trade unions in their effort to see that they are run on genuine lines.

My Committee have given careful consideration to the conditions under which employers might be willing to recognise trade unions and on the basis that such trade unions are *bona fide* and properly organised, they suggest the following :

(*a*) All unions should be registered under the Trades Union Act.

(*b*) Unions should be controlled and organised by the workers and not less than 90 per cent. of the officers of a registered trade union should be actually engaged or employed in the trade or industry with which the union is concerned.

(*c*) Submission of grievances and all the processes of negotiation and conciliation in existence or which may be devised should precede the submission of a notice to strike work.

(*d*) A general strike should not be called unless a ballot has been taken and a two-thirds of the votes cast and not less than 50 per cent. of the workers concerned have voted in favour of the general cessation of work.

(*e*) Notice of not less than 14 days should be given for a strike to an individual employer and notice of not less than one month for a general strike.

(*f*) Union rules should be submitted to the employer or employers' associations prior to recognition, and any amendments thereto should receive the approval of the employer and/or employers' association before being put in force.

(*g*) Unions should not support unauthorised strikes by individual employees or groups of employees nor a strike caused by an unrecognised union or unlawful association.

(*h*) Unions should abide by any mediation machinery agreed upon between the trade union and the employer or employers' associations.

(*i*) Unions should agree to co-operate with the Government Labour Officer and to furnish him with details of any grievances at the same time as they are brought to the notice of the employer.

(*j*) Membership of unions should be purely voluntary.

(*k*) Union subscriptions should not be collected on the employer's premises.

(*l*) Unions should not partake in union activities on the premises or during working hours except to the extent mutually agreed upon

between the recognised unions and the employer or employers' associations.

(*m*) Unions should not attempt to subvert discipline.

(*n*) Unions should discourage the use of violence of any description either directly or indirectly.

(*o*) The accounts of the unions should be audited by the Government Auditor at regular intervals.

With regard to the second question of your letter enquiring as to what recognition of trade unions would connote, the views of my Committee are as follows :

No. 1. *Permission to collect trade union subscriptions at the time of the payment of wages.*

The reply to this has already been given under Clause (*k*) above.

No. 2. *Latitude for communication between Trade Union Officials and representatives or leaders of the workers inside the factory.*

This is both inadvisable and unnecessary as all responsible unions will of necessity have their own office quarters at which members of the union are better able to meet and discuss matters of common interest without interfering with their own work or causing loss of output to their employers.

No. 3. *Circulating of notices of meetings of the Union and notification of other important information on behalf of the Union.*

There is no objection to this providing it is confined to the posting of notices of the time and place of the meetings of recognised Unions on Notice Boards allocated for this purpose.

No. 4. *Acceptance of letters and answers thereto.*

No. 5. *Granting of interviews to union officials and representatives of workers.*

No. 6. *Joint investigation of complaints brought up by the Union or the representatives of workers.*

We agree that there are no objections to these proposals.

No. 7. *Permission to hold meetings inside the mill compound during the interval of rest after previous intimation.*

As in Clause (*l*) above we have stated that there is a very serious objection to any meeting being held on employer's premises and there is an added objection to the intervals of rest being used for such purposes.

In conclusion, my Committee trust that in view of the great importance of this question to the trades and industries of this Presidency, an opportunity for discussion will be given by the Government before any further steps are taken or legislation framed.

Letter No. 3670-330, dated 11th November 1937, from the Bombay Chamber of Commerce to the Commissioner of Labour, Bombay.

Further to my letter No. 3373/330 of the 13th of October which deals in some detail with points arising out of Government's declared policy of encouraging the growth of trade unionism, I am desired by my Committee to address you again in order to express in more general terms the principles which underlie their views on this matter.

There can be no doubt that methods of negotiation are open to labour and when a strike is called without recourse having first been made to this procedure, hardship as well as loss is inflicted on the employees, some of whom may be entirely innocent, as well as avoidable loss to employers. It is, therefore, an essential factor if labour is to be brought to a higher standard of living and responsibility, that unnecessary strikes shall not be allowed to dissipate the strength of the worker's organisations nor injure the competitive power of the industry.

From this it follows that effective negotiating machinery must be sought and the risk of unnecessary strikes minimised.

Of the possible methods of negotiation my Committee do not favour that of compulsory arbitration on the grounds that employers must inevitably close their factories when they no longer have the prospect and/or the means of working such factories at a profit, or that workers must have reserved to them the ultimate right to strike in order to secure their interests, if and when all means of negotiation and/or arbitration have failed to justify their legitimate claims.

Whilst my Committee have already stated that they are in favour of encouraging the healthy growth of trade unionism from within, they feel that this can only be a gradual process until such time as trained trade union officials become available from the ranks of the workers themselves, and they venture to suggest that Government might consider providing facilities for suitable union officials to be trained at the Sir Dorab Tata's School of Economics or other suitable place of training with this end in view. They are therefore inclined to the opinion that the immediate problem may be solved by the further development of the existing Labour Officer system and that consideration should be given to the advisability of making compulsory the appointment by employers of a suitable person to act as a Labour Welfare Officer in all factories or group of factories where no trade union registered and recognised under terms to be laid down by Government has come into existence within a specified time. They feel that under present day conditions this might provide more practical help to workers—at less cost to the Industry—than elaborate and possibly less effective legislation designed to promote trade unionism at a time like the present when labour is insufficiently educated and sufficient suitable Union Officials are not available.

While the eventual aim of promoting from within effective and healthy trade unions should not be lost sight of, Government might find it desirable to encourage voluntary advancement, such as has already been made in a number of factories in Bombay, rather than try to force

the pace beyond the capacity of labour to appreciate its responsibilities as well as its privileges, and furthermore to cause employers to undertake heavy expenditure which may result in placing industrial enterprise in the Bombay Presidency in a position where it is unable to compete with those of other Provinces and/or Indian States, where in the absence of advanced labour legislation the cost of production to employers may be on a considerably lower scale.

My Committee desire to stress the great importance they attach to the minimising of the risk of unnecessary strikes and in particular lightning strikes, and suggest that much might be achieved to this end by the introduction of legislation to make any forms of picketing a cognisable offence in cases when labour refuses to return to work after their representatives have accepted an award in mediation proceedings, or when a strike is called without a reasonable minimum of notice, the period of such notice to be laid down by Government.

THE INDIAN FINANCE ACT, 1937.

(*Made by the Governor General on the* 31*st March*, 1937.)

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the excise duty on sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the excise duty on sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, to fix maximum rates of postage under

the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax ; It is hereby enacted as follows :—

1. (1)—This Act may be called the Indian Finance Act, 1937.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1937, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

*3. In sub-section (2) of section 3 of the Sugar (Excise Duty) Act, 1934,—

(*a*) in clause (*i*), for the words "ten annas" the words "one rupee and five annas" shall be substituted, and

(*b*) in clause (*ii*), for the words "one rupee and five annas" the words "two rupees" shall be substituted.

*4. In the First Schedule to the Indian Tariff Act, 1934,—

(*a*) in Item No. 17, for the words and figures "Rs. 9-1 per cwt.", in the fourth column the following words and figures shall be substituted namely :—

"the rate at which excise duty is for the time being leviable on sugar, other than *khandsari*

* This section came into effect on the 28th February, 1937, by virtue of a declaration inserted in the Bill under the Provisional Collection of Taxes Act, 1931 (XVI of 1931).

or palmyra sugar, produced in British India *plus* Rs. 7-4 per cwt." ;

(*b*) in Items Nos. 61 (2) and 62 (1), for the words "two annas per ounce" in the fourth column the words "three annas per ounce" shall be substituted.

*5. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "two annas" the words "three annas" shall be substituted.

*6. For the year beginning on the 1st day of April, 1937, the Schedule contained in the Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

7. (1) Income-tax for the year beginning on the 1st day of April, 1937, shall be charged at rates applicable to the total income of each assessee the same, and increased in each case by the same fraction of the amount of the rate, as for the year beginning on the 1st day of April, 1936.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1937, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be the same rates, increased in each case by the same fraction of the amount of the rate, as for the year beginning on the 1st day of April, 1936.

(3) For the purposes of sub-section (1) "total income" means total income as determined in accordance with the provisions of the Indian Income-tax Act, 1922.

* This section came into effect on the 28th February, 1937, by virtue of a declaration inserted in the Bill under the Provisional Collection of Taxes Act, 1931 (XVI of 1931.)

THE SCHEDULE.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See* section 6.)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See* section 7.)

Letters.

For a weight not exceeding one tola	One anna.
For every tola, or fraction thereof, exceeding one tola	Half an anna.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first two and a half tolas or fraction thereof	Six pies.
For every additional two and a half tolas, or fraction thereof, in excess of two and a half tolas ..	Three pies.

Registered Newspapers.

For a weight not exceeding ten tolas	Quarter of an anna.
For a weight exceeding ten tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

THE BUDGET, 1938-39.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Saturday, 26th February, 1938.

Finance Member's Speech.

India is a disappointing country for prophets. A very distinguished predecessor of mine described it to me as a land of unfulfilled prophecies. I don't know how far his experiences as Finance Member were responsible for this disillusioned judgment, but I can certainly say in my own case that my record in what I once called that minimum of prophecy inseparable from budget making would certainly not justify my setting up as a seer in other spheres. In extenuation I plead that in India we have to present our budget a month before the year to which it relates even begins, that the supply of statistical information follows a considerable time after the events to which it refers, that the budget of an agricultural country which is in fact a continent and which relies for its revenue so largely on indirect taxation is particularly sensitive to economic fluctuations, that the world at large on which India depends for its export markets is in constant change and disturbance and last but not least that in India we have just introduced the first stage of a new Constitution which has involved innumerable financial and economic adjustments.

With this preliminary warning or apology if you prefer to call it so, I turn to my task and I deal first with the year which ended on the 31st March last.

Financial Year 1936-37.

2. In our revised estimates for 1936-37 we anticipated a deficit of Rs. 1,92 lakhs. The actual deficit has turned out to be Rs. 1,79 lakhs but the net improvement of Rs. 13 lakhs is a complex of many more substantial pluses and minuses. Customs and central excise duties as a whole produced Rs. 22 lakhs more than expected. There were increases of Rs. 29 lakhs from the excise duty on sugar, Rs. 18 lakhs (net) from the export duty on jute and Rs. 18

lakhs from the duties on motor spirit. On the other hand there was a large shortfall of Rs. 35 lakhs under " Cotton fabrics not of British manufacture " and a deficit of Rs. 12 lakhs under " Silver." Currency and Mint receipts showed an improvement of Rs. 21 lakhs, but this was balanced by a decrease of a similar amount under Interest receipts owing to the fact that the interest earned by the securities held in our Silver Redemption Reserve was not sufficient to cover the depreciation in their capital value. Minor variations under other heads resulted in a net deterioration of Rs. 9 lakhs. As Hon'ble Members have already been informed in the Communications Member's speech introducing the Railway Budget the net revenues of the railways increased by no less than Rs. 1,02 lakhs, but under the arrangements which were then in force the whole of this increase was credited to the Depreciation Reserve Fund in partial repayment of the amounts withdrawn to meet the deficits of previous years, and general revenues were therefore not affected. It is interesting to note the main tendencies of the closing months of 1936-37 and to follow them into the succeeding year. In summary these are a rapid improvement in railway traffic and customs receipts the latter improvement concealing a rapid decline in the duties on the imports of silver and of cotton piecegoods. The import trade had clearly already begun to respond to the strong stimulus provided by the marked expansion of our exports, and to take that upward turn which was to continue throughout the rest of the calendar year 1937.

FINANCIAL YEAR 1937-38.

3. Our revised estimates show a total improvement of Rs. 3,90 lakhs in revenue, but as there is an increase of Rs. 3,22 lakhs in expenditure the net improvement is only Rs. 68 lakhs. The budget estimates provided for a nominal surplus of Rs. 7 lakhs after the utilisation of the whole of the Revenue Reserve Fund of Rs. 1,84 lakhs. According to the revised estimates we shall require only Rs. 1,09 lakhs from the Fund and shall be able to carry forward the remaining Rs. 75 lakhs to the year 1938-39.

4. Before referring to the main causes of these variations I should like to remind the House of the additional liabilities which we have had to undertake this year in connection with the separation of Burma and the inauguration of Provincial Autonomy. I said last year that the net loss on account of the separation of Burma was expected to be Rs. 2,33 lakhs. In arriving at this figure we allowed for a receipt of Rs. 3,23 lakhs in respect of the first of the annual payments to be made by Burma under the Amery Award. I mentioned, however, that this was only a provisional figure. The actual amount payable is now expected to be approximately Rs. 3,05 lakhs. Thus we are about Rs. 18 lakhs worse off as a result of separation than we calculated last year.

As regards the Provinces we anticipated debits amounting to Rs. 1,97 lakhs, partially offset by a small credit of Rs. 12 lakhs—a net deficit of Rs. 1,85 lakhs. The debits consisted of the following three items :—

(1) Additional payments to Provinces from the proceeds of the export duty on jute—Rs. 51 lakhs ;

(2) Additional grants-in-aid to deficit Provinces —Rs. 56 lakhs ; and

(3) Reduction in interest receipts—Rs. 90 lakhs.

The amount of the grants-in-aid are fixed under the Niemeyer award, but the additional 12½ per cent. payable out of the jute duty will cost 54 lakhs, and the loss on account of interest has proved to be about a crore instead of Rs. 90 lakhs. This is due to the fact that the balances made over to the Provincial Governments at the end of March 1937 were in some cases larger than we had expected, and they were therefore entitled to have a larger amount of debt set off under the debt settlement scheme. As a result of these increases we now estimate the extra liabilities incurred by the Central Government at Rs. 2,51 lakhs in the case of Burma and Rs. 1,98 lakhs in the case of the Provinces or Rs. 4,49 lakhs in all.

5. There is one other adjustment which I can conveniently mention at this stage. I said last year that the capital element in the instalments payable by the Provinces would be taken straight to the reduction of debt outside the budget. But in this first year owing to a change of the dates of payment made to suit the convenience of Provinces the equated instalments contain a larger element of capital and a smaller element of interest. I propose to adjust this in the accounts by making a reduction of Rs. 48 lakhs in the current year's provision for Reduction and Avoidance of Debt. I should like to assure Hon'ble Members that this is in effect an accounting change only and it does not at all represent a diminution of the actual amount allocated to debt redemption nor a conversion on my part to the imaginative school of finance.

6. Apart from the financial benefits which the Provinces received before and upon the introduction of Provincial Autonomy, the improvement in railway revenues makes it possible to begin the distribution of income-tax receipts under the Niemeyer Award in the current financial year. As Hon'ble Members have already learnt, the net surplus of the Railways for the current year is now expected to be Rs. 2,83 lakhs. In order to arrive at the amount payable to the Provinces it is necessary to deduct from our total receipts in respect of Taxes on Income other than Corporation Tax the amounts attributable to (1) taxes collected in central areas, (2) taxes on salaries paid from central revenues, and (3) cost of collection. It is anticipated that the balance remaining after these deductions will be Rs. 11,55 lakhs. To this figure is added the amount of the railway surplus and the combined total less 13 crores is the amount distributable to the Provinces. In effect then we are entitled to retain Rs. 1,45 lakhs out of the railway surplus, and the amount of income tax distributable to the Provinces is consequently estimated at Rs. 1,38 lakhs. I am well aware that the returns of railway revenue for the early months of the year had given rise to hopes that the amount available for distribution might be considerably

larger. They have also given rise to some highly coloured calculations in the Press. Naturally I am as disappointed as anyone else that these roseate dreams have not proved to be solid fact. But on the other hand a year ago nobody expected a distribution at all and moreover when the Niemeyer Award was announced there were gloomy forebodings—I think officially expressed by some of the Provinces—that the provision for conditional payments during the first five years was likely to prove a dead letter. The actual distribution will take place towards the end of March on the basis of the best revised forecast then possible and adjustments will be made on the basis of audited accounts in the following year.

7. Perhaps I may pause here and remind Hon'ble Members of the new charges which have been imposed on the central budget in recent years in the interests of the Provinces. I leave out of account the abandonment of the 9 or 10 crores of contributions under the Meston settlement. There are the Rs. 1,98 lakhs I have just given as the cost of the Niemeyer settlement *plus* Rs. 1,38 lakhs of income tax to be devolved. There are the grants of the previous year to Sind and Orissa amounting to Rs. 1,58 lakhs *plus* the original 50 per cent. of the jute duty now reckoned at Rs. 2,19 lakhs. There are the Road Fund grants of Rs. 1,41 lakhs and smaller recurring grants adding up to Rs. 16 lakhs a year all told—altogether a grand total of nearly 9 crores leaving out of account the 2½ crores for Burma. And I ask those who sometimes condemn the attitude of the Government of India towards Provincial aspirations to reflect that more than 20 crores of revenue have been relinquished to Provinces since the war and that under the Niemeyer Order-in-Council we are under an obligation to release a further 5 or 6 crores.

Revenue.

8. I now come to the revised estimates of revenue for 1937-38 and I remind Hon'ble Members of the summary which I gave of the trends which manifested themselves in

the last quarter of the previous year, *viz.*, a rapid improvement in railway traffic and customs receipts generally the latter concealing a rapid decline in the duties on the imports of silver and of cotton piecegoods. The increase in railway returns continued until the autumn and was then replaced by a steep decline from the figures of a year before. The decline is too serious for us to hope that it will shortly be reversed but we can at any rate hope that it will become less steep and this is the basis of the estimate of a total railway contribution of Rs. 2,83 lakhs. Customs and central excise receipts continued to advance until the end of the calendar year but in December the percentage of improvement was lower than in the preceding months, and the returns of January of this year confirm the flattening of the curve. Our revised estimates are therefore less satisfactory than at one time seemed probable. Let me deal with these estimates in a little more detail.

9. *Customs and Central Excise Duties.*—I have already mentioned that the decline in the revenue from imports of silver and cotton piecegoods which was noticeable in the closing months of 1936-37 has continued into the current year. The actual decreases in our revised estimates for these items as compared with our budget estimates are as follows :—

Silver	1,28 lakhs.
Cotton fabrics of British manufacture .	59 lakhs.
Cotton fabrics not of British manufacture	70 lakhs.

As regards silver I can only say that this is an item for which accurate budgeting is exceptionally difficult, and that an increase in imports of other commodities seems frequently to coincide with a decrease in imports of silver. The decrease under " Cotton fabrics not of British manufacture " is of course due to the war between Japan and China, but it is noticeable that British piecegoods have not participated in the resultant advantage to Japan's competitors in the

Indian market. That advantage has accrued entirely to the domestic producer, whose steadily increasing out-turn has been accompanied by a steady decline in our total imports from abroad and in the revenues which we have derived from them.

In spite of these large decreases our revised estimates for customs and central excise duties combined show a total net improvement of Rs. 1,91 lakhs. The improvement is spread over a wide range of articles included in the non-protective part of the tariff, and is largely accounted for by the increased imports of durable and semi-durable goods. Thus machinery is responsible for an additional Rs. 42 lakhs and motor vehicles for an additional Rs. 41 lakhs. There is also an increase of Rs. 45 lakhs from motor spirit.

10. *Taxes on Income.*—Our total revised estimate, including corporation tax and the other elements which are wholly central, is Rs. 15 crores as compared with the budget estimate of Rs. 14,30 lakhs, an improvement of Rs. 70 lakhs. This indicates that the progress of recovery in the country as a whole was not seriously interrupted during the previous year in spite of the temporary decline in imports which was reflected in our receipts from customs duties. The figure of Rs. 15 crores will in our accounts be reduced to Rs. 13,62 lakhs on account of the assignment of Rs. 1,38 lakhs to the Provinces, the gross railway contribution of Rs. 2,83 lakhs being, of course, taken to revenue in full.

11. *Other revenue heads.*—We expect an improvement of Rs. 10 lakhs under Salt and an improvement of Rs. 17 lakhs under Mint, which is due to an increase in the absorption of small coin. On the other hand there are two decreases which I must briefly explain :—

(1) The first is a decrease of Rs. 9 lakhs under " Payments from Indian States." This is due to the decision that in cases where the tribute paid by an Indian State exceeds 5 per cent. of the total revenue of the State the excess over that percentage should be remitted. The Indian States Enquiry Committee of 1932 strongly recommended

that such remissions should be granted as a first step towards redressing inequalities, irrespective of any arrangements which might be made in connection with the accession of the States to the Federation. We acknowledged the justice of that recommendation but found ourselves unable to implement it at that time. However now that a distribution of income-tax to the Provinces is being made it is unjustifiable to postpone further the removal of this grievance.

(2) The second item is a decrease of Rs. 39 lakhs under Currency. This arises from a reduction in the surplus profits of the Reserve Bank. Under section 33 of the Reserve Bank of India Act the sterling securities held in the Issue Department of the Bank must be "" Government securities of the United Kingdom maturing within five years." There is, however, a proviso which allowed the Bank to hold longer-dated securities during the first two years of its existence. Consequently the full effect of the restriction has only been felt during the current financial year, and owing to the very low rates of interest which have been obtainable on short-dated sterling securities the effect has been more marked than we had anticipated. It is obviously desirable that the resources of a Central Bank should be held in as liquid a form as possible, and the restriction was deliberately inserted for this purpose. The reduction in the surplus must therefore be regarded as a part of the price which we have to pay for the strength of the Bank's present position.

12. *Posts and Telegraphs.*—The budget and revised estimates for the Posts and Telegraphs Department are as follows :—

	Budget, 1937-38.	Revised, 1937-38.
	(In lakhs)	
Gross receipts	11,16	11,46
Working expenses and interest charges	11,12	11,03

Thus on the basis of the present accounting system the net receipts of the department are expected to amount to Rs. 43 lakhs against our budget estimate of Rs. 4 lakhs. The decrease in expenditure is mainly due to the postponement of the Empire Air Mail Scheme, and the improvement in revenue is due to increased receipts from telephones and from the sale of stamps. This improvement must be attributed to the general increase in trade activity which is reflected also in our customs estimates, but I might add that in the Posts and Telegraphs Department also the receipts began to show a decline at the beginning of the present calendar year. I propose to defer further comments on the financial position of the department until I come to next year's estimates.

Expenditure.

13. *Defence Services.*—I said that we now expect a total increase of Rs. 3,22 lakhs in expenditure. Out of this total Defence Services account for Rs. 2,60 lakhs. The most important single item is of course the cost of the military operations in Waziristan, which is now estimated at Rs. 1,76 lakhs. Another considerable item is the abandonment of the Lahore abattoir and the associated scheme for the establishment of cold storage facilities in northern India. It was originally anticipated that this might cost the taxpayer as much as Rs. 50 lakhs, but our latest estimate is only Rs. 26 lakhs. Here I might perhaps be allowed to digress for a moment to pay a tribute on the one hand to the very reasonable attitude adopted by the majority of the firms and contractors in their claims against Government, and on the other to the skill of those entrusted with the negotiations on the Government side. In particular I should like to acknowledge the very great value of the work done by Sir James Pitkeathly, the Chief Controller of Stores, who has taken a leading part in the negotiations.

The balance is made up of a variety of smaller items, the most important of which are :—

(1) Additional expenditure on the reconstruction of Quetta .. .. .. Rs. 10 lakhs.
(2) Rise in prices .. .. Rs. 10 lakhs.
(3) Initial expenditure on the reorganisation of the British Cavalry and Infantry .. .. Rs. 8 lakhs.
(4) Increased cost of British troops occasioned by the grant by His Majesty's Government of various improvements in the conditions of service in an attempt to arrest the the growing shortage of recruits .. Rs. 16 lakhs.

I shall refer to the last two items again when I deal with the estimates for 1938-39 but I should say now that the last is a net figure after allowing for a certain shortage of British troops.

14. *Interest.*—Apart from the special adjustment as between Capital and Interest which I have already mentioned we now expect an increase of Rs. 72 lakhs under Interest. This is almost entirely due to Post Office Cash Certificates. During the last two years our disbursements on this account have been exceptionally high owing to very large maturities of certificates issued at a high rate of interest. We have met a part of this liability from a special fund which was built up during years when our actual disbursements were much lower, but unfortunately the fund was only started a considerable time after the inception of the Certificates and sooner or later a shortage in it was bound to occur. The actual figure for the interest disbursed in 1936-37 proved to be Rs. 36 lakhs above even the revised estimate owing to an increase in the rate of encashments. Consequently the balance remaining in the fund for the current year was only Rs. 1,16 lakhs instead of Rs. 1,52 lakhs. It now appears that our budget estimate for this year will also be exceeded by about Rs. 25 lakhs. The

combined effect of these two excesses is an increase of Rs. 71 lakhs in the total amount to be met from revenue during the current financial year. Fortunately we have now passed the peak, since the certificates maturing next year bear a lower rate of interest and the amount payable will be correspondingly less. On the other hand it must be remembered that there is no longer anything left in the fund.

15. *Other expenditure heads.*—The only other item which I need mention at this stage is an increase of Rs. 25 lakhs under Tribal Areas. This is accounted for by the construction of roads in connection with the Waziristan operations. The figure would have been Rs. 49 lakhs but for the fact that we have utilised the balance of the fund set aside for roads in Tribal Areas to meet part of the cost of the Waziristan roads. Altogether it will be observed that of the total increase in expenditure of Rs. 3,22 lakhs the Waziristan operations and Interest together are responsible for no less than Rs. 2,73 lakhs.

WAYS AND MEANS.

16. At this stage it will be convenient to interpose the usual digression regarding ways and means.

New Loans.—No Government of India loans matured during 1937-38. This enabled us to leave the field clear for the Provinces during the first year of Provincial Autonomy. Loans were raised by five Provincial Governments and on the advice of the Reserve Bank they took the form of a simultaneous issue of 3 per cent. stock at an issue price of 99 and redeemable in 1952. Next year we shall have the option of redeeming the Government of India 5½ per cent. loan 1938-40. The amount outstanding in respect of this loan is a little over Rs. 19 crores. The time and manner of the redemption of the loan will of course depend on market conditions and on our ways and means position.

17. *Cancellation of sterling debt.*—During the current year the average market prices of our sterling securities

have been appreciably lower than those of the corresponding rupee securities. As the Reserve Bank was in a position to provide the necessary exchange without difficulty we decided to take the opportunity of effecting some repatriation of our sterling debt. The Bank was therefore authorised to purchase our sterling securities in the open market as amounts became available and to transfer the securities so purchased to us for cancellation. The total nominal value of the securities cancelled in this way in the course of the year is about Rs. 4 crores. Out of this total approximately Rs. 2,87 lakhs consist of terminable securities. In their case the cost of cancellation has been met from our ordinary resources in India, and on the basis of our present borrowing rates they represent a profitable investment. The balance of slightly over one crore consists of non-terminable securities. In connection with these purchases we created additional rupee paper of the 3½ and 3 per cent. non-terminable loans up to the same nominal value and this has been issued gradually by the Reserve Bank in accordance with the requirements of the market. Since the average sale price has been some four points higher than the average purchase price of the sterling stock, we have made a saving of over Rs. 4 lakhs on the transfer. We are not taking any credit to revenue in respect of this saving, but it will constitute a small additional contribution towards the redemption of debt. I should like to acknowledge the value of the advice and co-operation which we have received from the Reserve Bank in connection with these operations.

18. *Other sterling liabilities.*—Sterling railway debentures amounting to about £1½ millions have been repaid during 1937-38 and a further £4 millions will probably be redeemed next year. In addition to this we expect by the end of the current year to have transferred about £4 millions to the Commissioners for Family Pension Funds, leaving a balance of about £6 millions to be transferred next year. It would of course be inconvenient both from our point of view and from that of the Commissioners to transfer so

large a sum in one instalment, but we hope that the transaction will be completed before the end of 1938-39 in order that we may obtain the benefit of the resulting reduction in interest charges. Incidentally I may mention that this transfer represents a definite diminution of our external obligations.

19. *Treasury Bills.*—Last April the Reserve Bank returned 5 crores of rupees under section 36 (1) of the Reserve Bank of India Act, and payment was made in the form of treasury bills. An additional 5 crores will almost certainly be returned next year. In spite of these transactions and the special sterling disbursements which I have already mentioned we estimate that we should be able to meet all our requirements, including the additional capital expenditure of the railways and other departments, by a total increase in treasury bills of about 11 crores during the two years. With this increase the amount outstanding at the end of 1938-39 would be between 39 and 40 crores. This of course includes both the bills held by the general public and the bills issued to the Reserve Bank. At the beginning of the current month the Bank's share was roughly 45 per cent. of the total.

In connection with these estimates I should perhaps explain the arrangements which we have made to facilitate the investment of provincial balances. It was originally proposed that if the Provinces wished to invest their surplus balances in treasury bills they would have to compete for the bills which are sold each week by public tender. On reconsideration we felt that this procedure might cause some inconvenience both to the Provinces and to the market. In the absence of previous experience the Provincial Governments would have had difficulty in estimating the rates at which they should tender, and if in certain weeks they succeeded in obtaining a large proportion of the total amount offered there would be undesirable fluctuations in the amount available for the market. It was therefore decided that during the initial period the Reserve Bank

should try to meet the requirements of the Provinces from its own holding of treasury bills. About Rs. 4½ crores of the total amount at present outstanding represents bills transferred in this way to the Provincial Governments. The arrangement has so far worked satisfactorily and the Bank has agreed to continue it for the present, but the question may have to be reconsidered in the light of further experience.

20. *Post Office Cash Certificates and Savings Bank Deposits.*—Our revised ways and means estimate allows for a net repayment of Rs. 4 crores in respect of cash certificates as compared with the budget estimate of Rs. 1½ crores, and we are assuming a further net repayment of Rs. 3½ crores next year. If these estimates prove to be correct our total liabilities in respect of cash certificates will still amount to the substantial figure of Rs. 56.9 crores and at the moment I see no reason to regret that the total is not being further increased. The reduction in the rate of interest has naturally made the certificates less attractive to the wealthier classes; but at the present level of 2½ per cent. they still offer to the small investor—and it was for his benefit that they were intended—a better return than he can obtain from any other investment of comparable security and liquidity.

Savings Bank deposits continue to increase, although not quite so rapidly as we had anticipated. In the budget estimates we assumed a net increase during the year of Rs. 6½ crores excluding interest. The actual increase during the first seven months was Rs. 3,82 lakhs, but during November and December the seasonal decline in net deposits was somewhat greater than usual and indeed in these months deposits did no more than balance the withdrawals. This was probably due in the main to the delay in the movement of the cotton crop. In January deposits have again increased and since the rate of interest is appreciably more attractive than that offered by the banks in respect of similar accounts I see no reason to anticipate that the increase will

not continue in later months. Our latest estimates provide for an increase of Rs. 4½ crores in the current year and Rs. 5 crores next year.

21. *Provincial requirements.*—Last year I said that in addition to the two crores payable to Burma we expected to transfer to the Provinces on the 1st of April 1937 a total sum of Rs. 8,60 lakhs on account of certain balances which the Central Government had previously held on their behalf. These balances proved to be higher than we had anticipated and the actual amount transferred is approximately Rs. 10,70 lakhs.

22. *Remittance.*—During the current year there has been a considerable decline in our favourable balance of trade, and this seems to have coincided with an increase in private remittance for purposes of investment. These two factors have naturally resulted in a decrease in the amount of sterling offered to the Reserve Bank. In the first nine months of the year the Bank's purchases amounted to only £11½ millions as compared with £26½ millions in the corresponding period of the previous year, but in recent weeks large tenders have again been received. In view of the Bank's strong sterling position the delay has caused no serious inconvenience and exchange has remained steady throughout the year.

Financial Year 1938-39.

23. Honourable Members will remember that on the basis of our revised estimates for the current year we expect to require Rs. 1,09 lakhs out of the Revenue Reserve Fund in order to balance the budget, thus leaving Rs. 75 lakhs available for next year. Apart from this Rs. 75 lakhs our estimates for ordinary revenue amount Rs. 85,17 lakhs as compared with Rs. 85,54 lakhs in the revised estimates, a decrease of Rs. 37 lakhs.

Revenue.

24. *Customs and Central Excise Duties.*—I must first try to explain the basis of our estimates for customs and

excise revenue. Such estimates are necessarily subject to a considerable margin of error but we are bound to take note of the arrest which has shown itself in January of the previous upward tendency and in view of this we should certainly not be justified in expecting the maintenance of the current year's figures. This check may be attributed to the setback which has manifested itself primarily in the United States of America but which has also spread eastward. The Indian cotton grower has already been affected, and there are other economic indices which point in the same general direction. There has been a decline in our favourable balance of trade. I need not quote the figures of that balance which related to India and Burma combined, but for India alone the favourable balance during the first nine months of 1936-37 was Rs. 44,20 lakhs, while during the first nine months of the current year it is Rs. 27,56 lakhs. The difference is therefore over Rs. 16½ crores. The large increase in imports and consequently in customs revenue during the first nine months of the current year must be attributed to a considerable extent to the favourable balance of last year, and the decline in the balance is bound to have some effect on our imports next year—indeed it is already having its effect. It should also be remembered that since most of our customs duties are on an *ad valorem* basis an increase in prices automatically involves an increase in customs revenue. There was a marked increase in the general level of prices in the later months of 1936-37 and the early months of the current year, but recently the tendency has been in the opposite direction. There are of course certain items in our customs schedule which are likely to increase irrespective of general trade conditions. Motor spirit, for example, is almost certain to be an increasing source of revenue in view of the steady growth in the number of motor vehicles in use in India. But it seems probable that such items will be more than balanced by decreases in other imports. Taking all these factors into consideration we have assumed a net reduction of Rs. 60 lakhs as compared with the revised estimates for the current year.

25. As I have said the real reduction under Customs and Central Excise Duties is Rs. 60 lakhs, but the budget statements show a reduction of only Rs. 10 lakhs. This apparent discrepancy is explained by two changes in accounting procedure :—

(1) The first change relates to our revenue from the excise duty on matches. We have hitherto treated the share which is payable to the Indian States as a deduction from revenue, but it has now been decided that such disbursements would be more correctly classified as expenditure. This accounts for an increase of Rs. 32 lakhs, which will of course be balanced by a corresponding increase on the expenditure side.

(2) The other Rs. 18 lakhs represent the duty on petrol and kerosene supplied for the Defence Services. The duty on such supplies has previously been remitted, but we have now decided to bring the procedure into line with that which is adopted in connection with other goods imported for the use of Government Departments. In this case also there will be a corresponding increase in expenditure.

26. *Taxes on Income.*—As Hon'ble Members are aware I hope shortly to be in a position to introduce an Income-tax (Amendment) Bill. The first effect of this Bill should be a considerable increase in revenue but none of this can accrue before 1939-40 and even so for that year and two years thereafter practically the whole benefit will go to the Provinces. After that one-half of the benefit will revert to the Centre. So far as the next year is concerned I feel justified in budgeting for an improvement of Rs. 25 lakhs in view of trade activity during the major part of the current year and in view of the efforts which we are making to tighten up the administration. Unless railway revenues should fall far below our expectations the greater part of this increase also will of course benefit the Provinces and not the Central Government. If our estimates for taxes on income are realised we calculate that on the basis of the railway estimates presented by the Communications Member

for next year the amount of income-tax available for distribution to the Provinces should be Rs. 1,28 lakhs, which is equivalent to our retaining about one-half of the estimated railway surplus.

27. *Other revenue heads.*—We are allowing for a decrease of Rs. 20 lakhs in mint receipts as compared with our revised estimate for 1937-38. The absorption of small coin during the current year has been exceptionally high, and we cannot expect this to continue on the same scale. There will also be a reduction of Rs. 5 lakhs in the portion of the Burma payment which relates to pensions, and we shall have to pay to Burma a share of the amounts which we shall receive during the current year on account of coinage profits and the surplus of the Reserve Bank. This payment is expected to amount to about Rs. 6¼ lakhs. On the other hand we expect small increases in our interest receipts and in our receipts from certain minor sources of revenue. The net result of all these variations is an improvement of Rs. 8 lakhs.

28. *Posts and Telegraphs.*—Before I deal with the ordinary revenue and expenditure estimates of the Posts and Telegraphs Department I should perhaps mention a small change of procedure in connection with the provision of capital for telephone projects. To enable such projects to be undertaken with the minimum of delay we propose to create a special Telephone Capital Fund, the balance of which will not lapse at the end of the year, and we are providing for a capital grant to the fund of 2½ crores to cover expenditure for the next 5 years. We expect to spend Rs. 40 lakhs in 1938-39. Each project will continue to be scrutinised as carefully as in the past, but we hope to be able by means of the fund to dispense with some of the formalities which at present impede the department from going ahead as fast as they should with this remunerative branch of their activities.

29. As regards the ordinary revenue and expenditure of the department I mentioned in connection with this

year's revised estimates that the increase in the surplus was partly due to the postponement of the Empire Air Mail Scheme. Next year the scheme will be in operation, and the net cost to the Posts and Telegraphs Department is expected to be about Rs. 11 lakhs. The surplus will be further reduced below the figure of 1937-38 as a result of two decisions which have recently been reached :—

(1) The first of these relates to the provision for the payment of the commuted value of pensions. In their report on the accounts for 1935-36 the Public Accounts Committee recommended that these charges should in future be met from current revenues instead of being charged to capital in the first instance. This recommendation is particularly important in the case of the Railways and the Posts and Telegraphs Department, since if a commercial department is to be worthy of the name it should obviously meet its own current liabilities. We have therefore decided to introduce the change, so far as these two Departments are concerned, from the next financial year. This decision will increase the expenditure of the Posts and Telegraphs Department next year by about Rs. 18½ lakhs.

(2) The second decision is that regular arrangements should now be made for the repayment of the accumulated losses on account of press telegrams. These losses have been treated as a separate liability and have not been taken into account for the purpose of calculating the surplus or deficit on the ordinary working of the department. The amount now outstanding is Rs. 2,04 lakhs. One-half of this amount will be repaid immediately out of the balance in the Renewals Reserve Fund. The remaining Rs. 1,02 lakhs will be repaid partly from the portion of the current year's surplus which is not allocated for the cancellation of other past deficits and partly by means of equated annual instalments. The first of these instalments, *plus* the loss of interest on the Renewals Reserve Fund, will involve a further reduction of about Rs. 13½ lakhs in the net surplus. The lump sum repayment of Rs. 1,02 lakhs will be treated

as a capital receipt, but since the losses were financed partly from current revenues the annual instalments will be credited to revenue, and the loss of interest also involves a corresponding credit in the civil budget.

30. After these adjustments have been made the net revenue of the department is expected to be just sufficient to balance the expenditure. It should be clear from what I have said that this result represents the financial position of the department much more accurately than the anticipated surplus of the current year. Before a commercial department can be regarded as paying its way it must be in a position to meet all the charges which are correctly attributable to its activities. Hitherto the Posts and Telegraphs Department has not satisfied this condition.

Expenditure.

31. *Defence Services.*—The total provision for the Defence Services is Rs. 45,18 lakhs. This is Rs. 2,04 lakhs less than the revised estimate for the current year but Rs. 56 lakhs more than the budget estimate. As I have already mentioned, Rs. 18 lakhs of this increase is due to a change in accounting procedure in connection with the duty on petrol and kerosene, so that the real increase is Rs. 38 lakhs.

32. Before I explain how this increase is arrived at it will be convenient to mention two agreements which have been concluded in recent months with His Majesty's Government on the subject of defence expenditure in India. The first relates to His Majesty's Government's contribution of Rs. 80 lakhs towards the capital cost of mechanising the British Cavalry and Infantry; the agreement is fresh in the minds of Hon'ble Members, and I do not, therefore, propose to say any more about it except to remind the House that the contribution is payable in three instalments of which the first instalment of 27 lakhs is to be paid in 1938-39.

33. Being an incurable optimist, I hope that the second agreement will escape the barrage of criticism which greeted the first. The agreement relates to Naval expenditure. The Government of India in conjunction with the Admiralty have recently had under examination the question of India's Naval Defence. Under long standing arrangements India pays a direct contribution of £100,000 a year to His Majesty's Government in the United Kingdom towards the Naval Defence of India and the protection of trade in alien waters, and also defrays various miscellaneous charges amounting to 2 or 3 lakhs a year on behalf of vessels of the Royal Navy. The conversion of the Royal Indian Navy into a combatant service capable of assisting in the work of the Royal Navy in war and the steps which are being taken by the Government of India to build up their local naval defence rendered it desirable to review existing arrangements. Accordingly in order that the necessary measures for the development of the Royal Indian Navy might be accelerated, the Government of India requested His Majesty's Government to forgo the annual payments hitherto made. This has been agreed to by His Majesty's Government on condition that the Government of India maintain a sea-going fleet of not less than six modern escort vessels which will be free to co-operate with the Royal Navy for the defence of India and in addition fulfil their responsibility for local naval defence of Indian ports. The Government of India have accepted these conditions, and their contribution will cease as from April 1st, 1938.

34. As I have said the real increase in the provision for the Defence Services as compared with the current year's budget is Rs. 38 lakhs. But in order to arrive at the total amount available for additional items of expenditure we must add to this figure the contribution of Rs. 27 lakhs from His Majesty's Government and also a sum of Rs. 90 lakhs which represents the net saving resulting from the temporary shortage of British troops in India after allowance has been made for the extra cost of the improved condi-

tions of service to which I have already referred. The total to be accounted for, apart from the remission of the contribution to the Admiralty, is therefore Rs. 1,55 lakhs. Of this, Rs. 70 lakhs are absorbed by an increase in the normal standing charges of the Army, the more important items contributing to this increase being Rs. 21 lakhs under Ordnance Services, and the restoration of cuts amounting to about Rs. 24 lakhs made last year in the sums required for the equalisation of expenditure on the Royal Indian Navy and mechanical transport. The balance of 85 lakhs will be expended on the mechanisation of the British Infantry and Cavalry.

35. I have now accounted for the sums which are to be provided from revenue next year for defence purposes. But this does not exhaust the defence programme in 1938-39. We propose to supplement the budget grant by the remaining "free" balance in the Defence Reserve Fund, amounting to Rs. 35 lakhs and by drawing on balances in military expenditure equalisation funds which are not immediately required. The amount so drawn will be Rs. 45 lakhs. Among measures which will be financed, or for which we are earmarking funds in this way, are improvements in our coast defences, the erection of a factory to make India self-sufficient in the matter of high explosives and the mechanisation of certain Indian units, a scheme for which is now under consideration.

36. Last year I warned the House that the net figure for defence expenditure had only been achieved by the help of a curtailment of services which were bound to be provided for sooner or later, and that His Excellency the Commander-in-Chief considered the provision to be seriously inadequate for the real needs of defence. In view of the present world situation and the large increase in defence expenditure of almost all other countries, I do not think Hon'ble Members will be surprised that some increase has also been found necessary in India. Indeed we shall have

cause to congratulate ourselves if it proves possible to keep down the increase to such modest proportions.

37. *Interest.*—As I mentioned in connection with the revised estimates for 1937-38, there will be a reduction next year in the amount payable on account of Post Office Cash Certificates. We are actually budgeting for a decrease of Rs. 1,51 lakhs but as we are, during the current year, meeting Rs. 1,16 lakhs of the disbursements from the balance remaining in the Cash Certificates Bonus Fund, the decrease in the amount to be provided from revenue is Rs. 35 lakhs only. This saving, and the saving due to the transfer of the Family Pension Funds to Commissioners, are partially counterbalanced by increases under other heads, notably interest on Post Office Savings Bank Deposits and interest on the Railway Depreciation Fund. The result of all these variations is a net decrease of Rs. 22 lakhs.

38. *Other items.*—Apart from the provision made for the Defence Services and for Interest, our expenditure estimates show a net increase of Rs. 1,46 lakhs as compared with the current year's revised estimates. As I have already explained, however, Rs. 32 lakhs of this increase is due to a change in the accounting arrangements in connection with the proceeds of the excise duty on matches ; and there are three other items which are directly connected with specific increases in revenue :—

(1) The first of these is an increase of Rs. 16 lakhs in the provision for the payments made to the States of Cochin and Travancore under the Cochin Port Agreement. This is due to the increase in the customs revenue collected at the port during the current year.

(2) The second item is an increase of Rs. 29 lakhs in the allocation to the Road Fund. This is of course based on the anticipated revenue from the customs and excise duties on motor spirit.

(3) The third item is an increase of Rs. 10 lakhs in the provision for expenditure on sugar research partly due to the expectation that we shall have to pay out more in grants to the Provinces from that portion of our sugar excise revenue which has been set aside for this purpose since the imposition of the tax.

39. After these items have been deducted there remains a net increase of Rs. 59 lakhs. This is the result of variations under a large number of different heads. Increased expenditure on the reconstruction of civil buildings at Quetta accounts for Rs. 15 lakhs, and there is an increase of Rs. 12 lakhs in the provision for the Stationery and Printing Department. This is necessary partly owing to a rise in prices and partly in order to replenish stocks which have become seriously depleted through efforts to keep within the budget allotments of previous years. Other increases are due to the needs of expanding departments such as Civil Aviation and Broadcasting, to our efforts to improve the administration of the revenue producing departments, and to unavoidable new items of expenditure such as the Federal Court.

40. *Summary.*—I can now summarise the position. As I have said, the provision for the Defence Services is Rs. 2,04 lakhs less than the revised estimate for the current year and there is a decrease of Rs. 22 lakhs in interest charges, but other expenditure is expected to increase by Rs. 1,46 lakhs. The net decrease is therefore Rs. 80 lakhs, as compared with a decrease of Rs. 37 lakhs in revenue apart from the Revenue Reserve Fund. If we include the balance of Rs. 75 lakhs remaining in the fund the total figures are as follows :—

	(lakhs).
Revenue	85,92
Expenditure	85,83
Surplus	9

41. After the flamboyant forecasts of some of our more imaginative journalists this result will appear somewhat disappointing. Certainly I myself am deeply disappointed. For one thing we are still, apart from the carry forward in the Revenue Reserve Fund, more than half a crore short of true equilibrium. Secondly it is clear that the greatest care will be necessary in conserving the central revenues if the fulfilment of the Niemeyer programme is to be reasonably assured and finally there can be no immediate expectation of a devolution to the Provinces out of our present central resources beyond that provided for in that programme. During the current year there can clearly be no large central grants for social expenditure, but in any case with the inception of Provincial Autonomy I personally should be inclined to rank this objective after that of the provision of free money for the Provinces. But there is an objective even more important than that, namely, to ensure so far as is humanly possible the stability of our central finances. Without this Provincial advance or even stability is impossible and the fortunes of the Provinces are in the end so inextricably mixed with ours that they cannot prosper without a willingness on both our parts to co-operate to common ends.

42. I think I may claim that, while I have been in India, I have kept two main tasks in view; the financing of the new Constitution and the provision of money for rural development. The first involves an anxious regard to the health of our own finances. It also involves preparations for meeting smoothly the successive obligations which the new Constitution entails. We have found with no net increase, indeed with a net decrease of taxation, all the money required to start the Provinces on their autonomous way. During this year we have begun on the task of releasing to them 7 crores of income tax. At one time I hoped that it was going to be possible to speed up the performance of this task, but it now looks as if there will have to be a pause for the consolidations of our own

position. Of course it might be argued that we should increase some of our staple taxes in order to make more money available for the Provinces. I do not however propose to do this, though in the case of income tax I hope to introduce an Amending Bill this session to carry out a number of the recommendations of the recent Expert Enquiry. In present circumstances almost the whole of the increased yield resulting from these changes will accrue to the Provinces and I hope that I may on this account reckon on more support than might otherwise be the case. I offer this as an earnest of the sincerity of my desire to help the Provinces. As regards rural development I must now recognise that the main responsibility for this has been entrusted to the Provinces and central grants for the purpose must in large measure be postponed in favour of ensuring the due delegation of revenues. However much I may regret this I recognise the needs of the Provinces as a prior obligation.

43. I suppose that a budget which merely preserves the *status quo* will be characterised as a dull one. But it will be something to have achieved dullness in a world which is full of intense excitements—many of them of an extremely undesirable character. And if next year we are able to produce another dull budget providing for no spectacular increases in defence expenditure, no catastrophic falling off in revenue and for the maintenance or even increase of our assistance to the Provinces, I shall be only too thankful.

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi on Monday, 14th February, 1938.

Speech of the Honourable Sir Thomas Stewart (Member for Railways and Communications).

I rise to present to the House the Railway Budget for the year 1938-39. I confess that I am more fortunate than some of my predecessors in that the picture I have to show

is somewhat happier than it fell to them to exhibit, although in the light of our more recent traffic returns it would be rash to indulge in too high a degree of optimism.

As a preliminary, and in conformity with practice in the past, I would draw the attention of the House to an important change which, with the approval of the Standing Finance Committee for Railways, has been made in the form of one of the Demands, *viz.*, No. 6-H, which relates to the expenditure on the Electric Service Department. This demand has hitherto related almost entirely to the expenditure on the traction services of the Great Indian Peninsula, Bombay, Baroda and Central India and South Indian Railways. In order to secure a more efficient control of all the expenditure for which the electrical departments of the railways are initially responsible, it has been decided with effect from 1938-39, to collect in one place under this demand all electrical expenses, whether they relate to traction services, general electric services or to communications and train control. It would be no improvement, however, if the effect of this change was merely to obscure the results, of our very important traction systems. We have, therefore, shown in the relevant annexure separate figures under the three main heads—traction, general services and communication services.

2. An examination of the effect of the new allocation rules introduced last year to which reference was made in my predecessor's budget speech has shown that in practice they have tended unduly to burden the Depreciation Fund with many items of expenditure which, though they may involve the renewal of a part, are more correctly debitable to repairs. It was not contemplated that minor replacements would properly be a charge upon the Depreciation Fund, and the rules have been suitably amended to make this intention clear.

3. When my predecessor presented the current year's budget to the House, he expected that the surplus for the year 1936-37 would be of the order of 15 lakhs only. His

conclusions were necessarily based on the figures of receipts and expenditure for the first nine months of the year. and in the event, it proved that his estimates had been on the conservative side. The result was a surplus of about 1¼ crores. An unexpected, but none the less welcome, improvement was experienced both on the receipts and on the expenditure side, the former going up by about ½ crore, and the latter going down by approximately the same amount. Goods earnings mainly accounted for the improvement, cotton, sugar, oil-seeds, gram, pulses and other grains, wheat, jute and rice being the principal commodities which showed increased earnings. It is unnecessary for me to make further reference to last year's results since they are set out in great detail in the Railway Board's annual report which issued a few weeks ago. Let us, therefore, turn to our revised estimates for 1937-38. Sir Muhammad Zafrullah Khan budgeted for a total income of 92 crores from all sources and a total expenditure of 62½ crores, including depreciation. The net revenue was thus expected to be 29½ crores. Interest charges were placed at a little over 29¼ crores, leaving a surplus of something under a quarter of a crore—15 lakhs to be exact. We now anticipate that our total receipts will be about 95½ crores, and the total expenditure including depreciation 63½ crores, leaving a net revenue of 32 crores. After meeting interest charges expected to be 29¼ crores, we look, therefore, for a surplus of 2¾ crores. We may be accused of having been unduly pessimistic, but it must be remembered that the real nature and extent of the improvement in our earnings was not apparent at the time the estimates were made. My predecessor felt that it would be unsafe to assume that even that measure of prosperity which was reflected in our gross earnings last year would continue in the present year. His expectations were that there would be some improvement in passenger earnings the movements of which generally lag behind goods earnings. Not only, however, have his expectations with regard to passenger earnings been fulfilled, but the momentum of the upward movement

in goods earnings was not checked until the eighth month of the year. Except in the case of oil-seeds and cotton, the figure for each of the principal commodities carried on our railways showed a large increase. The number of tons of merchandise, carried in the first seven months showed an increase of about 9 per cent. and the ton mileage—which is more important—about 14 per cent. as compared with last year. The average lead per ton was 204 miles. The improvement in passenger earnings justified our anticipations. In the first seven months of the year the number of passengers on all class I railways increased by about 9 per cent. and passenger miles increased by about 10 per cent. But, whereas the improvement in passenger earnings has been well maintained and shows little sign of falling off, there has been a marked deterioration in goods earnings since November, and this is mainly attributable to the conditions subsisting in the cotton market. We now anticipate that our total traffic receipts for the current year will be 94¼ crores against 91¾ crores in 1936-37 and against our original estimate of 90¾ crores. On the other hand, working expenses, including depreciation, are expected to show an increase as against both the actual expenditure in 1936-37 and our original estimate for the current year. They will probably be about 1⅓ crores more than last year and about ¾ crore in excess of our original estimate. The main portion of this increase is due to the increase in the price of coal and in the consumption of stocks necessitated by the increased traffic, and also, in part, to the reconditioning of wagons and increased repairs to rolling stock. In addition, the accounts adjustment in connection with petty renewals means an addition of 10 lakhs to our working expenses as compared with last year.

4. Looking forward to 1938-39, we again hesitate to assume that the betterment enjoyed in the first half of this year will be maintained and the experience of the past two months gives us good reasons to pause. The realisations for December and January show a deterioration of 1¼ crores

in comparison with the corresponding period in the last financial year. We have endeavoured not to be too pessimistic, but our recent experiences illustrate how rapidly trading conditions may change and how difficult it is at the present time to estimate forward with any certainty. We expect that our passenger earnings will not fall below the level at which they now stand, and we also hope that a certain amount of traffic, in cotton for instance, held back this year in the absence of favourable prices, may be carried over to next year. We have, therefore, taken 94¼ crores as our traffic receipts, the same as for the current year, and, since we expect an increase of ¼ crore in miscellaneous receipts, the total will be ¼ crore more than in the year now drawing to a close. An increase of about ½ crore in working expenses appears inevitable. There will be no variation in the amount under depreciation, but we shall require additional money for the rise which we anticipate in the price of coal and other materials. Taking therefore our interest charges at 29¼ crores, we look for a surplus of 2⅓ crores.

5. So far as our capital programme is concerned, we propose to be as modest this year as we were last. In these circumstances, a budget speech can hardly achieve the spectacular, but I would refer to the recent completion of the King George the VI Bridge on the Assam Bengal Railway which spans the Meghna river between Bhairab Bazar and Ashuganj. This bridge provides a much improved means of communication between Dacca and Mymensingh on the west, and Chittagong and South Assam on the east, and as it replaces an expensive ferry and will thus make possible more economical use of engines and rolling stock, we hope that, apart from the increased convenience to the travelling public, the bridge will justify itself financially by yielding a return on our investment. Honourable Members will, I am sure, be glad to know that the structure has been built of Indian steel, fabricated in India to standards of accuracy comparable with those in any other part of the

world. The project has been completed within the estimated cost of 56 lakhs, and we are now investigating the possibilities of a similar enterprise to cross the Brahmaputra from Pandu to Amingaon. But that is not for the immediate future. In the coming year we propose to take up the two Sind projects which it had been intended to commence in the present year. These are the Sind Right Bank Feeder lines and the Pithoro-Tando-Mithakhan Railway alluded to last year by my predecessor. We are also making provision for an extension to link up Khadro on the Mirpurkhas-Khadro branch of the Jodhpur Railway with Nawabshah on the main line of the North Western Railway. These schemes are urgently required to serve the new and fertile areas which have recently been developed by the Lloyd Barrage and they will provide, we trust, a welcome addition to the communication system of the province of Sind. Provision has been made under these items for an expenditure of 55 lakhs.

6. Of our proposed expenditure on open lines not chargeable to revenue, the largest item is 4½ crores for rolling stock. The rise in the price of iron and steel due largely to the demand for these materials in connection with rearmament programmes in other parts of the world has inevitably affected our outlay on this account. We have, however, kept down our proposals to the minimum consistent with the requirements of prospective traffic. It will be remembered that my predecessor mentioned last year the proposed purchase of 2,000 general service wagons in 1937-38. When the question of calling for tenders for these wagons came under consideration, market conditions were rapidly moving against us, the price of steel was rising and the prospects of early and certain delivery were deteriorating. We, therefore, decided as a measure of prudence and of economy to enter into contracts with Indian wagon building firms for the supply of 6,095 broad gauge general service wagons, delivery to be spread over three years. Of this number, 2,095 are due to be delivered in 1938-39 and will

account for a sum of 104 lakhs out of the 4½ crores to which I have just made reference. For expenditure on track renewals we have provided 4 crores and for bridges and other structural works 3¾ crores. It will be seen, therefore, that our gross figure of expenditure under this head of account, after allowing for various credits, amounts to over 10½ crores. It has, however, been our experience that the gross provision has on many occasions not been utilised in full and, in view of the unsettled conditions of the metal market and of the uncertainty of deliveries, we propose to follow our usual procedure and to reduce the total demand to something less than 9 crores, of which sum 2¼ crores will be chargeable to capital and the balance to the Depreciation Fund.

7. I have already alluded, in connection with the revised and budget estimate of working expenses, to the increase in the price of coal. Apart from its cost, however, the question of the adequacy of the supply of that essential commodity has been a source of no small anxiety throughout the year. Before its commencement an acute shortage of labour, especially in the Raniganj and Jharia coalfields had caused a serious drop in raisings from market collieries and we experienced considerable difficulty in maintaining normal services. Consequently, railways had to face, at the beginning of 1937-38, a serious depletion of stocks, deliveries from market collieries being then three lakhs of tons in arrears. The labour problem continued to be difficult and the general position in regard to supplies threatened to be critical not only for the railways, but also for industry in general. To meet that emergency we decided substantially to increase the output from State-owned collieries with the result that for the eleven months of 1937—January to November—the total output from these collieries was almost 21 lakhs of tons against 14¾ lakhs for the previous calendar year. We were thus enabled to relieve our own embarrassments and at the same time to release sorely wanted market supplies for the industrial user. That our action was

justified may be judged from the fact that at the end of November 1937 contract deliveries from market collieries were over five lakhs of tons in arrears. I understand that recently market supplies have been more satisfactory, but unfortunately this coincides with our busy season when the requirements of other traffic must necessarily restrict the supply of wagons available for the transport of locomotive coal. The difficulties which we have experienced this year in discharging our responsibility to the interests of commerce and industry and to the public generally for the maintenance of our services make it incumbent on us to endeavour to place our coal supplies on a less precarious basis. Nor can we be indifferent to the implications, administrative and financial, of violent fluctuations from year to year in the output of our own collieries. This problem is engaging our urgent attention, but it is highly probable that with due regard to the interests I have already indicated, it will be necessary to maintain the raisings of coal from State-owned collieries at least the same level as in the current year.

8. It is appropriate that in the course of this budget speech I should take an opportunity to make reference to the report of the Railway Enquiry Committee which under the Chairmanship of Sir Ralph Wedgwood carried out an examination of our Indian railways and their organisation during last cold weather. But first, I would remind Honourable Members that the appointment of this Committee did not mark the first realisation of the necessity for keeping the organisation of our railways abreast of time and at the highest possible level of efficiency. Besides action taken by Railway Administrations on their own initiative, the recommendations of the Pope Committee of 1933 have received the earnest consideration of the various Railway Administrations and this House has been kept informed from time to time of the progress which has been made in following out these recommendations. The establishment of organisation branches on the railways has been a good

investment. Against an outlay of 11½ lakhs, the savings, as a result of their investigations, has been certified as 1¾ crores up to the end of the last financial year. Amongst the lines of investigation which have proved particularly valuable are the following: the improved utilisation of rolling stock; the reconditioning and extension of life of locomotives and wagons; reduction in the number of locomotives and carriages; concentration of repairs and closing of repair shops; job analysis; and speeding up of traffic in transit. The Wedgwood Committee have re-affirmed the majority of the recommendations of the Pope Committee and have added others which appear to offer fruitful avenues of investigation. The Railway Board has, therefore, undertaken, in the light of the Report, a fresh scrutiny of the results already achieved and have embarked upon a detailed examination of the many new suggestions which have been offered. A senior Mechanical Engineer has been placed on special duty to co-ordinate the research being carried out under the various Railway Administrations, and already there are indications that substantial economies will result. On the commercial side, the first step had already been taken before the 'Wedgwood Report was received, and in July last a proposal to strengthen the Commercial Department of the Madras and Southern Mahratta Railway was approved in the Standing Finance Committee for Railways. The Assam Bengal Railway have now put forward a plan for the re-organisation of their commercial activities, and other railways, I understand, have similar schemes under preparation. We have accepted the recommendations of the Wedgwood Committee in regard to our publicity campaigns and we realise that there is probably more to be achieved by concentrating on internal rather than on external advertising and by making a greater and more direct appeal to the third class passenger who after all is our best customer. In pursuance of this policy we have decided to close down our American Publicity Bureau at New York. It is, of course, impossible in the time I have at my disposal to embark on any detailed consideration of

this valuable report and the action which has been taken thereon, but as I have already indicated in the House, I am taking steps to place Honourable Members in possession of complete information as to the decisions and action which have so far been taken on the various recommendations of the Committee.

I would, however, make special mention of one activity upon which we have entered with a view to creating additional traffic and winning back some of the passenger traffic which in recent years has been lost by railways to the roads. After satisfying ourselves of the reasonable successes of some modest experiments with rail cars on the Great Indian Peninsula and the Madras and Southern Mahratta Railways, we have decided to give this mode of transport a fuller trial on the North Western Railway where conditions appear particularly favourable, and on a lesser scale on the Bombay, Baroda and Central India Railway. The total initial outlay involved in these two projects will be 18 lakhs. The rail car is by its nature most suitable for short fast services with small payload on branch lines or on sections where only limited traffic offers and where only infrequent steam services can be justified and is, I believe, being operated profitably in many other countries under these conditions. Its principal advantages over steam stock are lower operating cost, avoidance of halts for fuelling or watering, improved acceleration and quicker turn-round at terminal stations, thus making it possible to provide more frequent and more rapid services. We realise, however, that motor transport has come to stay and that it can in certain circumstances offer to the travelling public facilities and amenities which the railways do not. We have, therefore, decided ourselves to make the experiment of offering road services complementary to the railway. A new road has recently been opened between the headquarter towns of the Lyallpur and Jhang districts in the Punjab. The distance between those two towns by road and by rail is 48 and 101 miles respectively, the time taken for the respective journeys

being approximately 2 and 4½ hours. The advantages of travelling by road are obvious. The Provincial Government, we understand, propose to limit the number of motor buses operating on this route and the railway has been given the option of taking up half of the permissible licences. We believe that this constitutes a very favourable opportunity for carrying out an experiment in road transport and we are, therefore, making arrangements to provide the service desired. The initial outlay will be something under one lakh of rupees and we shall watch with great care the results of what I frankly admit is a purely experimental venture.

9. Parallel with the problem of attracting the public to our traffic services is that of improving the amenities for the travelling public. The budget papers contain as usual a financial statement showing the expenditure in this behalf. As Honourable Members are aware, early in 1936, the Railway Central Advisory Council inspected a specimen third class carriage of an improved design. During 1937-38, 33 broad gauge and 115 metre gauge lower class bogie carriages have either been constructed or are in course of construction embodying most of the improvements in that model. The programme for 1938-39 includes 197 broad gauge and 109 metre gauge bogie coaches on the same general lines. It may be felt that the progress indicated by these figures is slow, but it has to be remembered that the life of a coaching vehicle is 30 years, and it would be wasteful to discard existing stock before it has reached the limit of its usefulness. It may be said that the process might be accelerated by converting existing carriages; the cost of such conversion, however, is prohibitive.

Of civil engineering works providing greater amenities for the third class passenger, the most important is that recently undertaken at Hardwar. Here an entirely new station building with an approach road has been provided, platforms have been widened, a waiting shed erected and sanitary arrangements improved. The benefit of these changes will be available to the pilgrims attending the

approaching Kumbh Mela. Next year, of the 21 lakhs included in the budget for general improvements of the nature I now refer to, a sum of over 10 lakhs in all is to be devoted to lower class waiting rooms and halls and to the covering and raising of platforms.

10. I believe that all Honourable Members will agree with me that in the sphere of labour the maintenance of harmonious industrial relations, is of cardinal importance, and we, the largest individual employer of labour in India, have had under consideration for some time past the question of improving the machinery for the prevention and settlement of disputes on railways. This is a problem which was given prominence by the Whitley Commission, and it has been examined in the light of their views and in the light of discussions between the Railway Board and the All India Railwaymen's Federation. The Government of India have now appointed, as an experimental measure, a Conciliation Officer who has been stationed at Calcutta and who will be concerned with railways having their headquarters at that place. His more important duties will be, firstly, to establish and maintain contact with the Railway Administrations and with recognised trade unions and other bodies directly concerned in the relations between the Administrations and their employees; and, secondly, in the event of any actual or threatened dispute between these parties, to endeavour to maintain or restore harmonious relations. We have secured in Colonel Wagstaff an officer with wide experience of labour questions on our railways and, as he is now attached to the Labour Department, he will be in a position to take an independent view and will act as a friend both to the employers and to the employed. It is the intention, after he has completed his organisation, to establish an Industrial Advisory Board under the Chairmanship of Sir Zahid Suhrawardy, to which the Conciliation Officer can refer important disputes which he has been unable himself to resolve and which will be charged with the duty of advising the Railway Board on the issues involved.

11. Before I conclude, I would take this opportunity to correct what I believe to be a fairly widespread popular error. There is a considerable section of the public which regards our railways as the relentless enemies of the development of other forms of transport and which condemns their claim for the establishment of equality of competitive conditions as merely blind and stubborn opposition to natural economic progress. Both the railways and the Government of India are no less alive than others to the economic advantages to themselves as to the community as a whole of a sane and orderly development of road systems and road transport. They cannot for obvious reasons stand aside and watch the destruction through uneconomic competition of a national asset valued at over 750 crores; but they are at all times ready to co-operate in any scheme for the co-ordination of transport facilities which is to the ultimate economic advantage of the community. It was with a view to promote such co-ordination that the portfolio of Railways and Communications was created and as first Member in charge of that portfolio I wish to give the assurance that the endeavours of the departments within my charge will be directed towards that end.

12. There only remains for me to express on behalf of the Government of India our appreciation of the services of those, in the Railway Board and elsewhere, who are charged with the administration of our great railway systems in India. I would have Honourable Members believe that this is no mere formal duty repeated from year to year but that we here have the liveliest sense of gratitude to these officers for their loyalty and co-operation. Theirs is so often a thankless task. Charged with the operation of a widespread public utility service, they are only too open to public criticism, while their more solid achievements pass unnoticed. They may, I venture to think, pride themselves that they have brought our Indian railways, with no small success, through a period of unexampled difficulty. For some years past retrenchment and economy,—which they

have willingly and cheerfully faced,—have inevitably meant frustration. Let me wish them in the future a more ample opportunity to make their contribution to the common weal.

Rules and Regulations for the Measurement for Tonnage of Cotton and other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(*Adopted at a Special General Meeting of the Chamber, held on the 24th September* 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement ;
(*b*) the name of the shipper ;
(*c*) the name of the vessel ;
(*d*) the port of destination ;
(*e*) the number and description of packages ;
(*f*) the marks ;
(*g*) the measurement ;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat ;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped ; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed ; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties ; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom, the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure ; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorizing the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can

see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words " Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and the third carbon copy ; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1931 to 1937 is printed for the information of members :—

From	1931.	1932.	1933.	1934.	1935.	1936.	1937.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons	Tons.
Europe	16,822	11,758	2,945	6,145	6,190	5,875	14,240
Australia..	3,190	2,000	2,130	6,852	1,800	4,584	2,751
Japan	..	..	335	..	..	1,325	469
Africa	10,299	..	3,920	..	7,143	15,805	8,643
Other Foreign Countries.	..	..	..	..	..	..	..
Calcutta	437,309	461,834	419,238	411,572	466.790	447,377	215,058
Total—By Sea ..	467,620	475,592	428,568	424,569	481,923	474,966	241,161
Total—By Rail ..	43,383	26,136	19,526	19,234	19.875	22,022	130,113
Grand Total ..	511,003	501,728	448,094	443,803	501,798	496 988	371,274

WHEAT.

The total area reported for the season 1936-37 was 33,222,000 acres as against 33,639,000 acres the previous year, or a decrease of 417,000 acres or 1 per cent. The total yield of the crop was estimated at 9,808,000 tons as compared with 9,420,000 tons the previous year or an increase of 388,000 tons or 4 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1936-37 :—

Years	Area (in thousand Acres).	Outturn (in thousand Tons)
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35	34,490	9,728
1935-36	33,639	9,420
1936-37*	33,222	9,803

* Subject to revision.

Estimate of the Wheat Crop of the Season 1936-37. Share of each Province and state of Area and Yield for 1935-36 and 1936-37. (000's omitted).

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over.				Yield per Acre.	
							Area.		Yield.			
	Current Year 1936-37. Acres.	Previous Year 1935-36. Acres.	Average of preceding 5 Years. Acres.	Current Year 1936-37. Tons.	Previous Year 1935-36. Tons.	Average of preceding 5 Years. Tons.	Previous Year 1935-36. Per cent.	Average of preceding 5 Years. Per cent.	Previous Year 1935-36. Per cent.	Average of preceding 5 Years. Per cent.	1936-37. Lbs.	1935-36. Lbs.
British Provinces.												
Punjab	9,385	9,300	9,154	3,392	3,053	2,906	+ 0.9	+ 2.5	+11.1	+16.7	809	735
United Provinces	7,484	7,053	7,806	2,532	2,498	2,613	+ 6.1	— 4.1	+ 1.4	— 3.1	757	793
Central Provinces and Berar	3,140	3,389	3,431	600	641	687	— 7.3	— 8.5	— 6.4	—12.7	428	423
Bombay	1,655	1,691	1,770	289	315	310	— 2.1	— 6.5	— 8.3	— 6.8	391	417
Bihar	1,129	1,142	1,216	435	416	479	— 1.1	— 7.2	+ 4.6	— 9.2	863	816
North-West Frontier Province	1,105	1,029	991	287	258	237	+ 7.4	+11.5	+11.2	+21.1	581	561
Sind	931	1,119	810	309	278	244	—16.8	+14.9	+11.2	+26.6	743	556
Bengal	149	127	146	46	33	40	+17.3	+ 2.1	+39.4	+15.0	691	582
Delhi	39	38	43	16	12	13	+ 2.6	— 9.3	+33.3	+23.1	919	707
Ajmer-Merwara	19	28	28	6	9	8	—32.1	—32.1	—33.3	—25.0	707	720
Orissa	3	3	2	1	1	(a)	..	+50.0	..	..	746	746
Total British Provinces	25,039	24,919	25,397	7,913	7,514	7,537	+ 0.5	— 1.4	+ 5.3	+ 5.0	707	675
Indian States												
Punjab States	1,468	1,411	1,393	468	443	438	+ 4.0	+ 5.4	+ 5.6	+ 6.8	714	703
United Province State (Rampur)	127	122	121	35	31	32	+ 4.1	+ 5.0	+12.9	+ 9.4	617	569
*Eastern Agency States	75	76	88	12	10	16	— 1.3	—14.8	+20.0	—25.0	358	294
Bombay States	430	420	475	112	130	135	+ 2.4	— 9.5	—13.8	—17.0	583	693
Sind State (Khairpur)	81	87	58	32	27	16	— 6.9	+39.7	+18.5	+100.0	885	695
Central India State	1,912	2,076	2,121	340	360	366	— 7.9	— 9.9	— 5.6	— 7.1	398	388
Gwalior State	1,423	1,631	1,433	334	348	317	—12.8	— 0.7	— 4.0	+ 5.4	525	477
Rajputana States	1,281	1,575	1,405	342	389	355	—18.7	— 8.8	—12.1	— 3.7	598	553
Hyderabad State	1,308	1,247	1,260	200	140	154	+ 4.9	+ 3.8	+42.9	+29.9	342	251
Baroda State	76	73	72	20	28	21	+ 4.1	+ 5.6	—28.6	— 4.8	589	859
Mysore State	2	2	2	(a)	(a)	(a)	..	..	..	..	..	..
Total Indian States	8,183	8,720	8,428	1,895	1,906	1,850	— 6.2	— 2.9	— 0.6	+ 2.4	518	489
Grand Total	33,222	33,639	33,825	9,808	9,420	9,387	— 1.2	— 1.8	+ 4.1	+ 4.5	661	627

* Formerly Central Provinces States.

(a) 500 tons.

The fluctuations in the total Exports of Wheat from British India to Foreign Countries during the last 56 years are as shown below :—

(1881-82 to 1936-37)

Years.	Tons.	Rs.	Years.	Tons.	Rs.
1881-82 ..	995,050	8,62,00,618	1909-10 ..	1,050,574	12,70,90,884
1882-83 ..	709,688	6,08,88,136	1910-11 ..	1,266,150	12,95,82,291
1883-84 ..	1,050,070	8,89,58,112	1911-12 ..	1,361,166	13,34,84,580
1884-85 ..	792,494	6,31,60,182	1912-13 ..	1,660,163	17,69,37,226
1885-86 ..	1,053,446	8,00,53,311	1913-14 ..	1,202,205	13,13,33,561
1886-87 ..	1,113,181	8,62,59,856	1914-15 ..	706,383	8,32,04,161
1887-88 ..	676,908	5,56,23,733	1915-16 ..	652,879	8,44,06,594
1888-89 ..	880,570	7,52,32,794	1916-17 ..	748,913	9,15,34,812
1889-90 ..	690,110	5,79,26,147	1917-18 ..	1,454,374	19,00,27,665
1890-91 ..	716,024	6,04,24,260	1918-19 ..	476,103	6,75,30,929
1891-92 ..	1,515,335	14,38,20,022	1919-20 ..	8,642	20,36,604
1892-93 ..	748,672	7,44,03,835	1920-21 ..	237,665	4,10,03,185
1893-94 ..	607,842	5,19,39,850	1921-22 ..	80,809	1,46,82,887
1894-95 ..	344,506	2,56,62,468	1922-23 ..	220,194	3,44,02,127
1895-96 ..	500,208	3,91,43,765	1923-24 ..	638,252	9,11,80,928
1896-97 ..	95,531	83,64,498	1924-25 ..	1,111,691	17,19,49,952
1897-98 ..	119,630	1,34,11,515	1925-26 ..	211,637	3,60,24,737
1898-99 ..	976,024	9,71,96,877	1926-27 ..	175,949	2,71,07,422
1899-1900 .	485,204	3,90,94,963	1927-28 ..	299,733	4,40,57,408
1900-01 ..	2,501	3,00,832	1928-29 ..	114,707	1,69,23,702
1901-02 ..	366,090	3,25,59,204	1929-30 ..	12,971	21,24,473
1902-03 ..	514,607	4,51,53,570	1930-31 ..	196,505	1,94,87,643
1903-04 ..	1,295,565	11,08,89,546	1931-32 ..	20,215	15,12,460
1904-05 ..	2,150,025	17,90,60,692	1932-33 ..	2,194	3,82,265
1905-06 ..	939,523	8,53,43,996	1933-34 ..	2,060	3,26,964
1906-07 ..	801,445	7,25,44,650	1934-35 ..	10,962	10,60,578
1907-08 ..	889,459	8,58,50,350	1935-36 ..	9,590	9,48,076
1908-09 ..	109,757	1,34,00,777	1936-37 ..	231,505	2,09,59,009

COTTON, 1936-37.

The preliminary Government forecast issued in August 1936 and relating to 79 per cent. of the total area indicated an acreage of 15,769,000 acres as compared with 15,271,000 acres (revised) at the corresponding period in 1935, an increase of 3 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1937, for the whole of India was 25,219,000 acres as compared with 25,999,000 acres (revised) for the season 1935-36, a decrease of 3 per cent.

Government estimated the final yield at 6,307,000 bales as compared with 5,933,000 bales (revised) for the season 1935-36, an increase of 6 per cent. Private estimates, as usual, were half a million bales higher not taking into account the 750,000 bales put down for domestic consumption.

An excellent monsoon, absence of frost over Gujerat/Kathiawar and the extended cotton cultivation in Punjab and Sind areas, helped towards a record cotton production in India during the season 1936-37. Thanks to heavy and unprecedentedly large scale purchases of Indian cotton by Japan, a very satisfactory offtake to Europe, and large scale purchases, especially of staple cotton, by Indian mills, it was possible to dispose of the whole of this record crop.

The following figures show the movement of cotton through Bombay during the season 1936-37 :—

	Bales.
Stocks on 30th September 1936 including mill stocks as estimated by the East India Cotton Association, Ltd.	786,325
Arrivals during the year ending 31st August 1937	3,129,329
Total ..	3,915,654

Exports during the year ending 31st August 1937 :—

By Sea—	Bales.
United Kingdom	82,124
Continent	404,335
America	8,910
China	46,200
Japan	1,544,541
Other Foreign Countries and Coastal Ports	44,409
	2,130,519
By Rail to up-country	337,889
	2,468,408
Bombay Mill consumption	828,184
	3,296,592
*Estimated carry-over on 31st August ..	619,062
Total ..	3,915,654

* The East India Cotton Association, Limited, estimated the stocks on 31st August, 1937 at 681,892 bales.

Exports by sea to Foreign Countries in 1936-37 as compared with 1935-36 were as follows :—

	1936-37. Bales.	1935-36. Bales.	Increase or Decrease. per cent.
United Kingdom ..	82,124	121,770	— 32.55
Continent	404,335	394,295	+ 2.54
Japan	1,544,541	1,369,308	+ 12.79
China	46,200	94,937	— 51.33
America .. .	8,910	3,517	+153.34

The season opened with Broach April/May, at Rs. 210 Oomra December/January at Rs. 186¾ and Bengal December/January at Rs. 153. On the publication of a slightly bullish Washington Bureau Report, Broach advanced to Rs. 223, Oomra to Rs. 199½, Bengal to Rs. 160 and prices fluctuated within a few Rupees of this level until the middle of December. Between the middle of September and the middle of October this Indo-American price parity widened to the extent of about Rs. 10 and then narrowed slightly.

Heavy purchases by Japan in December and the firm tone of the overseas markets took Broach April/May, to Rs. 232, which was touched on 26th December. Difficulties in Japan over the financing of these large scale purchases led to Government intervention which took the shape of controlled freight allotment and the introduction of a system of exchange permits. The market in consequence developed a weaker tendency, Broach April/May, falling to Rs. 218½ on 19th February.

A wave of bullish enthusiasm in the world's leading cotton markets drove the Bombay market steadily higher until in the month of March Broach April/May, touched Rs. 253. This rise in cotton prices however came too late for the Indian farmer to benefit thereby, nearly the whole of the crop having been marketed before the advent of the rise.

The beginning of April saw a change in the tendency of the market. A rumour that the price of gold was to be reduced proved a disturbing factor in all markets and cotton registered a sharp decline, Broach April/May falling to Rs. 224, at the end of April. The market staged a temporary recovery in May which ended with July/August Broach, at Rs. 240. A reappearance of the gold scare and more rigid Japanese import restrictions led to a resumption of the downward trend. The European political situation and the financial difficulties of Japan were further disturbing factors.

The market now came under the influence of the prospective American crop for 1937-38. The exceptionally favourable weather conditions prevailing in the American cotton belt gave promise of a large crop. This was a very bearish factor and Broach July/August, declined to Rs. 190½ on 30th July. The publication of the first Washington Bureau Report on 9th August indicating a crop of about 15½ million bales proved too much for the market and the season closed on 31st August with prices at the lowest point of the season, namely Broach April/May, at Rs. 188. Oomra December/January at Rs. 170½ and Bengal December/January at Rs. 142½.

The following table gives details of arrivals into Bombay by Sea and Rail during the season with the total of the five previous years. (Actual weight converted into Bales of $3\frac{1}{2}$ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.	1931-32.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandesh	206,505	308,848	254,473	326,265	220,402	121,806
Central India	338,845	291,231	110,745	243,550	208,096	148,798
Barsi Nugger	174,497	176,300	108,816	171,299	134,595	80,711
Hyderabad Gaorani	101,682	41,660	46,802	51,146	55,949	22,434
Berar	579,602	344,040	403,738	502,736	471,173	250,475
Central Provinces	114,551	99,823	96,808	117,698	136,713	75,094
Dhollera	183,099	335,935	196,518	156,431	297,573	250,430
North-West Provinces	10,399	63,996	35,306	9,184	8,246	26,970
Rajputana	97,443	115,558	51,925	61,623	84,484	56,570
Sind Punjab	354,809	473,626	335,372	190,913	107,256	140,672
Broach	343,200	413,597	133,579	252,100	327,831	260,317
Compta/Dharwars	74,887	112,062	94,076	92,421	96,406	86,693
Westerns/Northerns	40,743	78,565	74,629	65,472	75,428	48,586
Cocanada	155	201	435	475	115	10
Tinnevelly and Cambodia	22,333	20,629	86,593	52,368	61,326	16,851
Persians	14	9	2,686	2,829	8,063	2,951
Americans	20,546	27,023	75,235	26,622	75,196	280,808
Egyptians	181,525	81,236	134,623	49,971	32,745	121,032
Africans, East	284,248	185,218	258,070	143,304	133,448	133,162
Comilla, Burmah and other Sorts ..	† 246	482	1,155	28	188	* 322
Total ..	3,129,329	3,170,039	2,501,584	2,516,435	2,535,233	2,094,692

* Including 111 bales of Russian Cotton.

† Including 106 bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton from Bombay to different Countries during the years ending 31st August from 1930-31 to 1936-37 :—

To	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	82,124	121,770	66,261	66,598	66,812	25,053	82,741
France	51,374	75,686	51,864	64,600	101,935	21,202	120,833
Belgium	139,178	120,656	68,611	73,430	91,075	32,957	91,598
Holland	18,504	11,918	8,781	13,318	10,200	5,641	16,268
Sweden	150	62	84	61	140	..	330
Denmark	505	330	220	110	..	27	220
Germany	74,634	93,136	47,727	35,117	37,280	20,092	101,380
Poland	8,795	8,021	5,107	7,237	1,925	..	..
Portugal	3,871	1,375	165	110	..	45	85
Spain	..	36,944	33,848	29,665	23,207	15,355	35,667
Italy .. .. }	94,344	37,089	111,228	88,158	86,123	30,237	143,222
Fiume .. .. }				1,100	896	782	1,928
Switzerland	..	110	..	..	..	..	..
Roumania	385	..	..	..	..	..	..
Lithuania	1,687	20	..	..	..	..	..
Finland	15	..	..	..	..	..	..
Czechozlovakia	1,413	..	..	..	..	..	..
Yugoslavia	55	330	..	..	..	..	..
Bulgaria	3,375	3,193	..	..	..	..	..
Latvia	470	20	..	..	..	..	..
United Kingdom, Belgium, Holland or Germany (for orders)	330	550	4,915	1,581	2,180	1,600	..
Greece	5,250	4,855	13,793	14,936	4,707	50	2,130
United States of America	8,910	3,517	626	..	..	25	2,392
Chili	..	..	..	..	..	..	170
China (Including Indo-China) ..	46,200	94,937	86,178	157,595	135,415	209,936	469,023
Japan	1,544,541	1,369,308	1,085,376	978,368	1,064,636	552,508	1,434,134
Other Foreign Countries	5,654	3,703	4,686	844	2,448	3,180	1,577
Indian Ports— Calcutta and Coast Ports.	38,755	26,680	28,514	22,448	27,357	35,135	25,809
Total ..	2,130,519	2,014,210	1,617,984	1,555,276	1,656,336	953,825	2,529,507

Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports during the Calendar Years 1937 *and* 1936.

To	1937. Six months ending 30th June.	1937. Six months ending 31st Dec.	1937. Total for 12 months.	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	Increase or Decrease.	Percentage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
London	....	75	75	30	1	31	+ 44	
Liverpool	20,755	3,378	24,133	38,926	6,949	45,875	— 21,742	
Liverpool or Manchester ..	274	....	274	....	47	47	+ 227	
Manchester	38,940	7,821	46,761	55,405	12,268	67,673	— 20,912	
Glasgow	100	125	225	298	....	298	— 73	— 38.74
Dundee	....	90	90	....	....	....	+ 90	
Dakar (*for orders*)	....	....	....	A 7,510	....	A 7,510	— 7,510	
Port Said (*for orders*) ..	A 2,829	....	2,829	....	....	....	+ 2,829	
Marseilles	7,798	2,020	9,818	8,702	2,823	11,525	— 1,707	
Havre	9,062	4,184	13,246	18,283	3,048	21,331	— 8,085	
Havre or Dunkirk	....	....	....	456	....	456	— 456	— 27.46
Dunkirk	21,858	7,824	29,682	36,696	2,710	39,406	— 9,724	
Ghent	47,110	15,183	62,293	28,774	21,885	50,659	+ 11,634	
Antwerp, Hamburg, Bremen, etc. (*optional*) ..	B 1,031	B 100	1,131	....	B 1,540	1,540	— 409	— 3.86
Antwerp	48,618	21,053	69,671	59,272	16,672	75,944	— 6,273	
Hamburg, Bremen, Dunkirk, R'dam, Antwerp (*for orders*)	G 3,698	....	3,698	G 234	G 1,368	1,602	+ 2,096	
Hamburg	31,045	13,467	44,512	43,640	11,419	55,059	— 10,547	— 20.99
Bremen	18,005	1,361	19,366	22,249	6,690	28,939	— 9,573	
Warburg	55	....	55	..	....	....	+ 55	
Hamburg, Bremen, Dunkirk, R'dam or Antwerp (*optional.*)	....	550	550	....	....	....	+ 550	....
Enschede	....	250	250	....	....	....	+ 250	
Rotterdam	12,085	4,840	16,925	9,644	5,637	15,281	+ 1,644	+ 12.39
Vejli	395	....	395	330	....	330	+ 65	
Copenhagen	110	....	110	....	....	....	+ 110	+ 53.03

A—For United Kingdom. B—For Belgium. G—For Germany.

Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports —contd.

To	1937. Six months ending 30th June.	1937. Six months ending 31st Dec.	1937. Total for 12 months.	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	Increase or Decrease.	Percentage.
Norrkoping	75	75	150	....	....	....	+ 150	+167.85
Stockholm	....	....	....	56	....	56	— 56	
Constanza	....	385	385	....	....	..	+ 385	....
Abo	....	15	15	....	....	....	+ 15	....
Memel (Klaipeda)	1,258	299	1,557	20	300	320	+ 1,237	+ 386.56
Gdynia	4,326	4,453	8,779	5,610	3,918	9,528	— 749	— 7.86
Riga	445	25	470	20	....	20	+ 450	....
Pasages	....	....	....	2,640	160	2,800	— 2,800	....
Alicante	....	....	....	600	....	600	— 600	
Barcelona	....	....	....	24,449	75	24,524	—24,524	
Taragona	....	....	....	100	....	100	— 100	
Oporto	1,913	330	2,243	605	165	770	+ 1,473	+111.96
Lisbon	760	....	760	335	375	710	+ 50	
Leixoes	558	....	558	....	200	200	+ 358	
Leghorn	100	....	100	....	....	....	+ 100	
Fiume	1,115	386	1,501	....	330	330	+ 1,171	
Venice	6,383	3,518	9,901	687	3,490	4,177	+ 5,724	
Venice or Trieste	310	....	310	....	1,810	1,810	— 1,500	
Venice or Mestre	1,885	370	2,255	....	275	275	+ 1,980	
Mestre	110	315	425	....	55	55	+ 370	+ 94.63
Naples	2,945	1,885	4,830	550	660	1,210	+ 3,620	
Naples or Genoa	330	....	330	....	220	220	+ 110	
Genoa	17,597	6,778	24,375	3,412	8,569	11,981	+ 12,394	
Trieste	29,833	12,558	42,391	11,740	12,715	24,455	+ 17,936	
Trieste or Fiume	110	....	110	....	....	....	+ 110	
Trieste, Fiume or Venice ..	110	....	110	....	....	....	+ 110	
Via Hamburg	350	1,214	1,564	....	....	....	+ 1,564	....
Via Trieste	330	1,283	1,613	....	....	....	+ 1,613	....
Susak	55	....	55	275	....	275	— 220	— 80.00
Varna	605	385	990	991	580	1,571	— 581	+ 3.67
Bourgas	1,718	734	2,452	1,447	302	1,749	+ 703	

Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports —concld.

To	1937. Six months ending 30th June.	1937. Six months ending 31st Dec.	1937. Total for 12 months.	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	Increase or Decrease.	Per-centage.
Salonica	2,600	608	3,208	1,937	2,600	4,537	— 1,329	
Piraeus	75	....	75	169	700	869	— 794	— 30.83
Thessaloniki	....	456	456	....	....	....	+ 456	
Via Venice	....	55	55	110	....	110	— 55	— 50.00
New York	100	....	100	....	....	....	+ 100	
Boston	3,727	300	4,027	1,344	1,750	3,094	+ 933	
Savannah	600	....	600	....	....	....	+ 600	
Seattle	240	....	240	....	5	5	+ 235	
Norfolk	250	....	250	200	....	200	+ 50	
Los Angeles	1,750	....	1,750	650	225	875	+ 875	+ 59.65
Los Angeles, Portland, Seattle or San Francisco.	....	....	....	200	....	200	— 200	
San Francisco	25	....	25	95	....	95	— 70	
Vancouver	127	....	127	30	25	55	+ 72	
Portland	185	....	185	50	1	51	+ 134	
Australian Ports	610	2,371	2,981	470	400	870	+ 2,111	+ 242.64
Japanese Ports	955,677	226,002	1,181,679	866,487	647,761	1,514,248	—332569	— 21.96
Chinese Ports	12,650	43,729	56,379	75,882	8,300	84,182	— 27,803	— 33.02
Haiphong	11,500	553	12,053	4,555	2,000	6,555	+ 5,498	+ 83.87
Colombo	1,999	1,292	3,291	1,435	383	1,818	+ 1,473	+ 81.02
Busrah	30	191	221	....	87	87	+ 134	+ 154.02
Yembo, Jeddah, Debai and Koweit	8	64	72	4	4	8	+ 64	....
Aden	1	....	1	1	3	4	— 3	— 75.00
Jaffa, Haiffa and Tel-Aviv	18	143	161	100	....	100	+ 61	+ 61.00
Port Said, Mauritius, Alexandria, Zanzibar and Lorenco Marquis.. ..	29	423	452	....	1	1	+ 451	....
Calcutta and Coast Ports.	24,579	32,700	57,279	16,196	7,694	23,890	+ 33,389	+ 139.76
Total ..	1,353,769	426,216	1,779,985	1,353,901	799,195	2,153,096	Net Decrease 373,111	or 17.32

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	EXPORTS TO			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 63 and 64 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066		
1866 ..	..	1,187	14	1,201	42	1,243
1867 ..	..	1,277	5	1,282	46	1,328
1868 ..	..	1,030	48	1,078	47	1,125
1869 ..	..	1,225	56	1,281	48	1,329
1870 ..	..	1,115	50	1,165	49	1,214
1871 ..	..	967	39	1,006	50	1,056
1872 ..	1,085	1,002	48	1,050	52	1,102
1873 ..	1,151	1,079	34	1,113	53	1,166
1874 ..	978	917	34	951	67	1,018
1875 ..	1,311	1,192	25	1,217	83	1,300
1876 ..	1,345	1,285	20	1,305	135	1,440
1877 ..	1,073	980	35	1,015	147	1,162
1878 ..	1,141	920	38	958	161	1,119
1879 ..	961	800	46	846	204	1,050
1880 ..	832	652	64	716	181	897
1881 ..	1,171	874	34	908	220	1,128
1882 ..	1,832	1,521	87	1,608	277	1,885
1883 ..	1,770	1,335	95	1,430	313	1,743
1884 ..	1,759	1,295	100	1,395	348	1,743
1885 ..	1,139	791	70	861	392	1,253
1886 ..	1,480	1,009	61	1,070	391	1,461
1887 ..	1,703	1,147	40	1,187	454	1,641
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,115	3,031
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864
In thousands of Bales (000's omitted). —*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	153	763	38	954	921	1,875
1933	2,286	250	2,536	427	1,200	30	1,657	798	2,455
1934	2,294	223	2,517	396	1,136	23	1,555	613	2,168
1935	2,030	472	2,502	413	1,171	34	1,618	885	2,503
1936	2,876	294	3,170	516	1,464	34	2,014	836	2,850
1937	2,643	486	3,129	486	1,591	53	2,130	828	2,958

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1937.

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1937, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853	..	0.05	0.02	..	..	33.76	13.05	5.95	9.83	..	..	..	62.66
1854	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863	0.41	..	..	0.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871	2.22	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873	..	0.05	..	..	0.51	20.36	16.98	23.96	7.77	0.07	..	..	69.70
1874	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875	0.47	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877	0.22	0.52	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878	0.03	..	..	0.02	0.02	19.99	48.33	20.46	16.42	4.89	2.61	..	112.77
1879	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	61.40
1880	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	67.94
1881	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	73.04
1882	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	69.23
1883	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	90.18
1884	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	75.44
1885	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	67.91
1886	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	99.74
1887	..	..	..	0.02	0.09	24.07	30.98	17.59	18.23	2.79	1.02	0.16	94.95
1888	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	57.82
1889	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	67.84
1890	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	66.18
1891	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	77.20
1892	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	95.12
1893	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	67.24
1894	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	66.85
1895	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	67.59
1896	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	87.65
1897	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	81.75
1898	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	74.09
1899	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	35.90
1900	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	69.12
1901	0.74	..	..	0.01	0.01	25.36	32.70	14.27	1.81	0.39	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.61	0.81	71 99
1903	..	..	..	0.17	..	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.42
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.04	..	33.56
1906	..	..	0.15	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	0.27	..	0.08	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.15	15.25	4.29	0.14	..	67.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.81	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	21.06	0.01	0.18	..	81.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.67
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.76
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	52.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.13	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.5	21.4	14.00	5.00	0.20	3.80	..	73.81
1935	..	..	..	..	..	..	27.9	24.10	16.69	11.90	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36
1937	..	..	0.50	..	0.10	..	18.32	30.40	5.40	14.20	1.70	..	..	70.62

RAINFALL OF THE YEAR 1937.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year :—

Division.	Station.	From 1st June to 31st Oct. 1937.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1937.	Annual normal.
Bay Islands ..	Port Blair	90.4	+12.0	138.4	116
Lower Burma ..	Victoria Point	94.1	—33.5	135.9	166
	Mergui	141.5	+12.9	182.2	161
	Tavoy	207.8	+23.3	223.2	215
	Amherst	142.3	..	178.7	190
	Rangoon	94.0	+12.5	116.4	99
	Bassein	96.9	+ 2.8	120.4	109
	Diamond Island	96.7	— 2.9	113.3	118
	Gwa	172.0	+17.1	192.8	172
	Toungoo	73.5	+ 3.1	99.1	83
	Kyaukpyn	161.6	— 1.1	173.7	188
	Akyab	154.6	—25.8	176.3	203

Division.	Station.	From 1st June to 31st Oct. 1937.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1937.	Annual normal.
Upper Burma ..	Minbu	26.2	— 0.1	40.4	35
	Yamethin	33.3	+ 5.7	49.5	38
	Mandalay	26.7	+ 2.9	42.1	33
	Monywa	22.3	— 0.5	31.8	31
	Bhamo	51.4	— 8.8	65.9	72
	Myitkyina	67.9	+ 0.8	88.2	79
Assam	Dibrugarh	62.4	—14.8	67.8	108
	Sibsagar	68.6	+ 4.3	90.7	96
	Tezpur	56.0	+ 2.8	60.8	74
	Gauhati	55.4	+ 9.9	74.7	65
	Dhubri	65.2	— 8.3	90.5	97
	Silchar	88.0	+ 5.9	113.5	125
Bengal	Cox's Bazar	132.8	+14.8	183.2	141
	Chittagong	101.8	+20.5	115.6	103
	Narayanganj	53.6	+ 0.3	75.5	74
	Barisal	78.0	+15.1	96.2	82
	Jessore	43.0	— 6.2	50.3	66
	Calcutta	63.7	+12.6	75.5	93
	Saugor Island	56.2	— 3.1	69.9	69
	Burdwan	43.3	— 2.8	69.2	59
	Berhampore	52.3	+ 5.1	66.0	57
	Mymensingh	70.2	— 0.1	92.1	93
	Bogra	49.2	— 7.8	64.4	71
	Dinajpur	61.3	+ 1.8	73.9	71
	Jalpaiguri	90.4	—14.5	111.4	122
Orissa	Balasore	48.1	— 2.0	60.7	63
	Chandbali	52.7	..	64.8	61
	Cuttack	47.7	— 2.5	58.3	59
	Gopalpur	28.3	— 7.7	41.5	45
	Sambalpur	67.8	+ 7.2	75.1	66
Chota Nagpur ..	Chaibasa	58.1	+14.8	66.4	52
	Ranchi	48.4	— 1.2	60.9	57
	Hazaribagh	38.7	— 8.3	43.8	53
	Daltonganj	45.3	+ 5.0	50.3	45
Bihar	Purnea	46.9	— 7.9	57.2	62
	Darbhanga	50.9	+ 6.0	59.9	50
	Patna	44.2	— 0.3	50.1	49
	Gaya	37.2	— 6.4	40.2	47
	Naya Dumka	50.7	+ 0.7	68.1	57
United Provinces, East.	Gorakhpur	51.8	+ 5.4	56.7	50
	Benares	44.4	+ 6.8	56.5	41
	Allahabad	36.1	— 0.3	38.3	39
	Cawnpore	16.2	—17.1	18.1	36
	Lucknow	30.5	— 4.5	33.5	39
	Bahraich	32.2	— 8.2	34.9	45
United Provinces, West.	Jhansi	45.5	+11.6	48.3	36
	Agra	12.4	—12.0	16.0	27
	Mainpuri	15.1	— 8.9	16.2	27
	Bareilly	23.5	—16.0	27.7	44
	Meerut	27.2	— 0.3	31.6	32
	Roorkee	32.9	— 3.0	41.5	42
	Dehra Dun	106.8	+32.9	119.3	83
Punjab, East and North.	New Delhi	16.9	— 6.1	21.4	27
	Hissar	19.1	+ 4.3	22.6	18
	Ambala	22.3	— 1.9	44.1	30
	Ludhiana	18.2	— 4.2	28.1	29
	Lahore	11.3	— 3.8	18.6	20
	Sialkot	17.2	— 5.7	25.7	31
	Rawalpindi	22.6	— 0.4	33.3	35
Punjab, South-West.	Khushab	6.5	— 3.2	15.5	15
	Lyallpur	5.7	— 5.6	11.1	13
	Montgomery	2.6	— 5.4	5.2	11
	Multan	0.9	— 4.2	4.2	7
	Fort Abbas	5.2	..	9.5	..
	Bahawalpur	3.4	— 0.4	5.2	6
	Khanpur	3.0	— 1.8	5.1	7

Division.	Station.	From 1st June to 31st Oct. 1937.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1937.	Annual normal.
KASHMIR	Srinagar	9.1	+ 0.2		26
	Gulmarg	..	..		..
	Sonamarg	17.8	+ 2.2		71
	Dras	..	..		22
	Leh	..	..		3
	Skardu	..	..		7
	Gilgit	1.4	— 0.6		5
N. W. FRONTIER PROVINCES.	Peshawar	2.4	— 2.4	12.3	14
	Miranshah	4.5	..	12.5	..
	Dera Ismail Khan	3.1	— 2.4	5.8	9
	Fort Sandeman	4.4	— 1.1	10.8	11
	Harnai	9.4	+ 1.7	14.1	13
	Quetta	1.6	..	9.0	10
	Chaman	0.1	— 0.1	8.9	7
BALUCHISTAN ..	Kalat	1.4	+ 0.1	8.7	7
	Dalbandin	0	— 0.3	3.3	4
	Nokkundi	0	..	2.7	..
	Panjgur	0.2	..	3.0	5
	Pasni	0.1	— 1.0	1.9	6
	Jacobabad	1.8	— 0.5	4.9	4
	Naushahro	1.0	..	2.3	4
SIND	Hyderabad	7.3	+ 1.3	8.8	7
	Karachi	8.2	+ 2.3	11.8	8
	Badin	12.0	..	14.1	9
	Sri Ganganagar	4.0	..	7.6	..
RAJPUTANA, WEST.	Bikaner	9.7	..	12.3	12
	Jodhpur	10.1	— 2.2	12.0	14
	Barmer	9.4	..	11.0	10
	Jaipur	15.9	— 6.1	17.8	24
	Ajmer	22.6	+ 4.0	23.9	21
RAJPUTANA, EAST.	Kotah	35.7	+ 9.4	37.1	28
	Brijnagar	37.4	..	39.3	36
	Udaipur	19.1	— 2.9	19.6	24
	Deesa	38.2	+14.4	38.8	25
	Bhuj	9.9	— 3.8	11.6	14
	Dwarka	19.7	+ 6.9	21.5	13
	Rajkot	26.3	+ 0.9	26.5	26
	Veraval	32.7	+14.6	33.1	19
GUJARAT ..	Surat	64.9	+24.7	65.2	41
	Bhavnagar	19.4	— 0.7	19.4	21
	Ahmedabad	39.4	+11.4	39.5	29
	Dohad	32.0	..	..	29
	Tankha'a	..	..	..	..
	Baroda	41.1	..	42.3	..
CENTRAL INDIA, WEST.	Guna	42.6	..	44.6	..
	Neemuch	30.8	+ 3.3	31.2	29
	Indore	37.9	+ 6.7	38.5	33
	Bhopal	54.2	..	56.1	44
CENTRAL INDIA, EAST.	Nowgong	41.7	+ 1.7	46.7	42
	Sutna	44.4	+ 3.1	47.5	45
BERAR	Akola	44.1	+15.5	50.9	31
	Amraoti	34.7	+ 4.7	42.2	33
	Khandwa	40.5	+12.7	41.6	30
	Hoshangabad	60.9	+14.9	63.4	49
CENTRAL PROVINCES, WEST.	Saugor	48.4	+ 6.4	52.5	44
	Jubbulpore	65.5	+14.3	68.6	55
	Seoni	47.3	— 1.3	47.9	53
	Nagpur	56.9	+12.1	67.0	49
	Pendra	41.6	— 2.1	50.6	50
CENTRAL PROVINCES, EAST.	Raipur	61.3	+14.6	71.0	51
	Kanker	62.6	..	72.6	51
	Chanda	36.7	—11.0	45.2	51
	Jagdalpur	41.2	—15.3	53.1	64
KONKAN ..	Bombay	70.2	+ 1.1	70.6	71
	Matheran	..	..	..	..
	Ratnagiri	109.0	+11.7	110.3	100
	Marmagoa	101.3	..	109.7	..
	Karwar	105.6	— 8.6	112.9	116

Division.	Station.	From 1st June to 31st Oct. 1937.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1937.	Annual normal.
	Jalgaon	21.6	..	21.7	..
	Malegaon	17.0	— 3.2	18.0	22
	Ahmednagar	22.4	+ 2.9	23.1	22
	Khandala	178.8	..	180.4	..
Bombay Deccan	Poona	28.2	+ 4.1	30.8	27
	Sholapur	21.4	— 3.2	24.0	29
	Miraj	15.2	..	23.3	25
	Bijapur	7.4	— 9.8	12.5	21
	Belgaum	50.4	+ 6.9	57.1	50
	Gadag	11.3	..	11.6	25
Hyderabad,	Aurangabad	29.5	+ 4.6	32.4	27
North.	Parbhani	28.0	— 1.1	33.3	33
	Nizamabad	31.9	— 4.9	40.2	40
	Gulbarga	20.7	— 6.3	23.4	31
Hyderabad,	Raichur	19.0	— 5.6	24.4	26
South.	Hyderabad	20.0	— 7.7	29.1	32
	Hanamkonda	..	..	28.5	33
	Chitaldrug	14.6	— 3.1	18.6	25
Mysore ..	Bangalore	16.9	— 8.5	31.5	35
	Mysore	22.5	+ 2.2	40.4	31
	Mangalore	134.0	+19.7	142.0	126
Malabar	Calicut	111.1	+13.3	125.7	117
	Cochin	100.2	+13.8	125.7	114
	Trivandrum	36.7	— 2.9	54.1	65
	Palamcottah	9.5	— 0.2	24.5	28
	Pamban	14.5	+ 2.9	42.1	37
	Madura	12.7	— 7.8	22.4	33
	Negapatam	17.1	— 3.9	53.5	55
Madras	Trichinopoly	22.9	+ 4.4	40.5	33
South East.	Coimbatore	10.9	— 1.2	25.0	22
	Salem	18.3	— 8.7	28.1	39
	Cuddalore	19.1	— 7.6	54.5	52
	Vellore	28.3	+ 0.7	51.5	42
	Madras	26.8	— 0.4	64.4	51
	Cuddapah	20.9	— 3.1	26.1	31
	Bellary	9.2	— 5.8	15.4	21
Madras, Deccan	Kurnool	17.7	— 4.7	22.1	26
	Anantapur	23.8	..	31.5	25
	Rentichintala	..	..	32.1	..
	Nellore	18.7	— 1.3	66.7	38
Madras Coast,	Masulipatam	28.3	— 3.9	34.8	42
North.	Cocanada	34.1	+ 4.3	40.4	39
	Vizagapatam	21.0	— 7.3	28.9	37
	Calingapatam	22.8	—11.6	29.2	42
	Maymyo	40.1	— 2.1	66.2	58
	Lashio	50.2	+ 2.2	63.4	62
	Shillong	53.3	— 9.5	75.7	84
	Cherrapunji	273.2	—60.3	344.2	424
	Darjeeling	92.4	—13.2	115.6	123
	Muktesar	38.7	— 1.7	52.2	52
	Mussooree	78.2	+ 7.0	94.6	84
	Simla	47.9	— 0.8	60.1	64
Hill Stations,	Dharampur	50.0	..	55.9	..
excluding	Dalhousie	52.7	— 5.0	89.0	85
Kashmir and	Murree	31.0	— 6.7	58.9	60
Baluchistan.	Cherat	12.0	+ 0.3	37.5	27
	Parachinar	10.2	..	..	29
	Drosh	6.0	..	..	17
	Mount Abu	66.1	+ 7.6	68.1	61
	Pachmarhi	90.2	+17.6	95.0	77
	Mahableshwar	260.8	+ 0.7	266.9	266
	Mercara	103.5	— 8.8	118.8	125
	Kodaikanal	35.9	+ 2.9	65.1	62
	Coonoor	23.1	..	59.2	66
Ceylon ..	Colombo	35.7	+ 0.3	97.6	84

STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.

Year ending	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
From 18th May 1870 to 30th November 1872	Not recorded.	Rs. 52,215	Rs. 36,315	Rs. 15,900	Rs. ..
From 1st Dec., 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th November 1874	1,402,379	21,707	18,986	2,721	..
Do. 30th November 1875	1,474,470	23,039	22,009	1,030	..
Do. 30th November 1876	1,240,034	19,375	22,355	..	2,980
Do. 30th November 1877	1,101,318	18,324	21,561	..	3,237
Do. 30th November 1878	1,040,961	20,837	23,287	..	2,450
Do. 30th November 1879	887,100	28,808	20,140	8,668	..
Do. 30th November 1880	1,163,545	33,219	20,084	13,135	..
Do. 30th November 1881	1,313,592	25,177	24,029	1,147	..
Do. 30th November 1882	1,892,796	33,225	24,757	8,468	..
Do. 30th November 1883	1,852,047	33,792	25,605	8,187	..
Do. 30th November 1884	1,814,986	33,404	22,604	10,800	..
Do. 31st December 1885	1,402,845	29,482	24,385	5,097	..
Do. 31st December 1886	1,748,856	32,893	21,582	11,311	..
Do. 31st December 1887	1,845,446	35,933	20,017	15,916	..
Do. 31st December 1888	1,659,273	36,371	21,057	15,314	..
Do. 31st December 1889	2,156,604	43,042	21,648	21,394	..
Do. 31st December 1890	2,330,935	45,872	23,171	22,701	..
Do. 31st December 1891	2,012,900	39,533	23,402	16,131	..
Do. 31st December 1892	1,946,389	38,017	24,495	13,522	..
Do. 31st December 1893	1,691,755	32,517	24,273	8,244	..
Do. 31st December 1894	1,708,723	33,665	25,156	8,509	..
Do. 31st December 1895	1,679,325	34,921	21,546	13,375	..
Do. 31st December 1896	2,049,862	40,061	22,240	17,821	..
Do. 31st December 1897	1,746,610	33,956	22,484	11,472	..
Do. 31st December 1898	1,910,140	36,174	21,100	15,074	..
Do. 31st December 1899	2,132,663	41,684	21,041	20,643	..
Do. 31st December 1900	1,147,591	28,302	20,844	7,458	..
Do. 31st December 1901	2,947,198	45,497	21,918	23,579	..
Do. 31st December 1902	2,159,823	43,709	26,865	16,844	..
Do. 31st December 1903	2,664,171	53,654	31,522	22,132	..
Do. 31st December 1904	2,292,791	48,673	19,666	29,007	..
Do. 31st December 1905	2,534,599	53,255	21,427	31,828	..
Do. 31st December 1906	2,685,432	54,215	23,516	30,699	..
Do. 31st December 1907	2,976,312	60,171	27,054	33,117	..
Do. 31st December 1908	2,302,349	48,844	29,706	19,138	..
Do. 31st December 1909	2,736,023	57,502	28,310	29,192	..
Do. 31st December 1910	3,163,919	65,853	30,617	35,236	..
Do. 31st December 1911	2,390,016	54,123	34,028	20,095	..
Do. 31st December 1912	2,528,825	55,571	31,953	23,618	..
Do. 31st December 1913	3,127,997	64,049	32,441	31,608	..
Do. 31st December 1914	3,336,685	65,197	36,014	29,183	..
Do. 31st December 1915	3,361,744	73,410	35,002	38,408	..
Do. 31st December 1916	3,409,241	85,407	37,571	47,836	..
Do. 31st December 1917	2,944,353	67,356	41,360	25,996	..
Do. 31st December 1918	1,933,943	73,386	41,640	31,746	..
Do. 31st December 1919	2,910,991	86,189	46,154	40,035	..
Do. 31st December 1920	3,027,873	1,06,901	70,146	36,755	..
Do. 31st December 1921	3,407,858	1,54,071	70,208	83,863	..
Do. 31st December 1922	3,517,691	1,60,333	76,399	83,934	..
Do. 31st December 1923	2,692,835	1,24,179	76,939	47,240	..
Do. 31st December 1924	2,365,531	1,16,002	72,034	43,968	..
Do. 31st December 1925	2,111,055	1,09,375	69,703	39,672	..
Do. 31st December 1926	1,785,602	1,08,621	68,203	40,418	..
Do. 31st December 1927	1,573,756	1,33,382	74,839	58,543	..
Do. 31st December 1928	1,991,021	1,13,092	71,963	41,129	..
Do. 31st December 1929	1,825,481	1,02,578	69,338	33,240	..
Do. 31st December 1930	1,812,795	1,00,015	69,192	30,823	..
Do. 31st December 1931	1,288,522	82,470	62,917	19,553	..
Do. 31st December 1932	985,491	79,726	60,855	18,871	..
Do. 31st December 1933	1,255,823	77,857	57,161	20,696	..
Do. 31st December 1934	1,185,092	76,413	55,958	20,455	..
Do. 31st December 1935	1,312,477	80,997	60,126	20,871	..
Do. 31st December 1936	1,480,674	87,086	60,676	26,410	..
Do. 31st December 1937	*1,592,567	1,03,272	67,914	35,358	..

*Includes 112,659 packages weighed.

Statement showing the Total Measurement of Bales and Miscellaneous Packages, with Receipts for the years 1923 *to* 1937.

Years.	Nett Bales certified.				Nett Miscellaneous Articles.				Nett Round Logs.				Extra Fees.				Nett Tolas.			
	Number of Bales.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Logs.	Nett Fees.			Articles certified.	Amount.			Packages.	Nett Fees.		
		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.
1923..	2,024,508	63,265	14	0	668,323	57,951	2	3	4	2	0	0	..	2,960	7	6	2,692,835	1,24,179	7	9
1924..	1,723,813	53,869	2	6	641,718	58,174	5	9	..	..			..	3,834	0	0	2,365,531	1,16,002	6	3
1925..	1,579,403	49,356	5	6	531,652	55,700	2	6	..	..			..	4,318	7	6	2,111,055	1,09,374	15	6
1926..	1,254,587	39,205	13	6	531,015	63,323	9	0	..	..			..	6,091	7	6	1,785,602	1,08,620	14	0
1927..	994,512	31,141	0	0	577,244	68,542	0	0	..	..			..	33,699	10	0	1,573,756	1,33,382	10	0
1928..	1,480,555	46,267	5	6	510,388	60,803	15	0	78	39	0	0	..	5,981	6	0	1,991,021	1,13,091	10	6
1929..	1,328,917	41,528	10	6	496,505	58,565	3	0	59	29	8	0	..	2,876	0	6	1,825,481	1,02,578	6	0
1930..	1,365,626	42,675	13	0	447,169	51,784	15	0	..	..			..	6,096	7	6	1,812,795	1,00,015	3	6
1931..	882,510	27,578	7	0	406,012	47,149	1	0	..	..			..	7,743	1	0	1,288,522	82,470	9	0
1932..	487,331	15,229	1	6	498,160	56,297	1	0	..	..			..	7,778	15	0	985,491	79,726	1	6
1933..	834,305	26,072	0	6	421,518	46,986	4	0	..	..			..	4,257	2	6	1,255,823	77,857	7	0
1934..	738,590	23,080	15	0	446,502	51,297	12	0	..	..			..	1,370	4	0	1,185,092	76,413	15	0
1935..	861,868	26,933	6	0	450,609	51,453	10	0	..	..			..	2,069	6	6	1,312,477	80,997	6	6
1936..	1,003,105	31,347	0	6	477,562	54,601	2	0	7	3	8	0	..	670	8	6	1,480,674	87,086	3	0
1937..	890,184	27,818	4	0	702,368	73,520	15	0	15	7	8	0	..	1,926	3	0	1,592,567	1,03,272	14	0

FINANCIAL STATISTICS.

RESERVE BANK OF INDIA

Balance Sheet as at 31st December 1937.

LIABILITIES.	Rs.	ASSETS.	Rs.
NOTES HELD IN THE BANKING DEPARTMENT :—		Gold Coin and Bullion—	
(*a*) Legal Tender in India	29,31,51,816	(*a*) Held in India	41,54,53,163
(*b*) Legal Tender in Burma only ..	1,06,555	(*b*) Held outside India	2,86,97,782
NOTES IN CIRCULATION :—		Sterling Securities	80,30,69,902
(*a*) Legal Tender in India	1,80,60,47,846	Rupee Coin	62,56,45,057
(*b*) Legal Tender in Burma only ..	4,76,56,630	Government of India Rupee Securities	27,40,96,943
		Internal Bills of Exchange and other Commercial Paper	Nil.
Total Rs. ..	2,14,69,62,847	Total Rs. ..	2,14,69,62,847

		Rs.
BALANCE at the credit of Government of India in the Reserve Bank of India on 31st December	1935 ..	8,84,82,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1936 ..	9,83,12,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1937 ..	9,76,31,226

	Official year 1936-37. Rs.	Official year 1935-36. Rs.	Official year 1934-35. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)—			
Whole Rupees	*Nil.*	*Nil.*	*Nil.*

	Rs.
NET PROFIT ON COINAGE for the year 1936-37.	53,26,179

		Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March	1933 ..	8,26,75,850
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1934 ..	8,16,29,300
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1935 ..	8,48,36,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1936 ..	7,91,99,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1937 ..	7,74,08,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1938 ..	7,63,18,000

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8,217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8,494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9,162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9,890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10,149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883 ..	10,458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11,631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12,283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12,892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14,103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14,576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15,887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16,401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17,308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17,815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18,504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18,900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19,547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20,254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21,115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22,040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23,523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24,752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324

1901 ..	*25,363*	*1901*	*80,89,40,873*	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25,931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26,956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27,565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28,295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29,097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30,010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30,576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31,490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32,099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32,839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33,484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34,656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913–14..	34,656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914–15..	35,285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915 16..	35,833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
*1916–17..	36,286	1917	1,60,24,89,599	38,45,26,695	1,98,70,16,294	2,47,37,74,815	6,41,72,070	2,53,79,46,885
*1917–18..	36,333	1918	1,64,35,48,949	51,76,43,160	2,16,11,92,109	2,44,90,40,505	7,54,39,185	2,52,44,79,690
*1918–19..	36,616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919–20..	36,735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920–21..	37,029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921–22..	37,266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922–23..	37,618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923–24..	38,039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924–25..	38,270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925–26..	38,610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926–27..	39,048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927–28..	39,048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928–29..	40,330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929–30..	41,723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930–31..	42,281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931–32..	42,813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
*1932–33..	42,973	1933	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,35,93,34,109	70,66,15,528	2,06,59,49,637
*1933–34..	42,973	1934	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
*1934–35..	43,021	1935	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
*1935–36..	43,118	1936	1,36,76,36,945	7,44,88,569	1,44,21,25,514	1,64,59,67,984	45,66,88,147	2,10,26,56,131
*1936–37..	43,128	1937	1,27,72,13,251	15,50,89,994	1,43,23,03,245	2,02,48,94,884	30,20,40,314	2,32,69,35,198

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports for the Official Years 1931-32 *to* 1936-37.

——	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private—						
Bengal	34,66,08,177	35,43,50,471	32,82,95,421	36,15,44,994	38,69,34,037	35,76,03,742
Orissa	..	..	..	..	..	64,612
Bombay	49,76,07,176	54,31,54,339	46,18,75,025	53,69,54,890	54,52,53,450	49,32,91,658
Sind	15,85,98,186	16,26,36,975	12,96,47,462	15,24,73,187	14,62,25,407	14,03,04,510
Madras	15,58,55,383	15,86,69,604	14,81,00,305	17,35,12,513	15,71,10,641	15,26,58,114
Burma	10,50,45,193	10,70,31,786	8,56,51,931	9,83,79,069	10,87,08,850	10,84,82,789
Total ..	1,26,37,14,115	1,32,58,43,175	1,15,35,70,144	1,32,28,64,653	1,34,42,32,385	1,25,24,05,425
Do. Government Stores.	4,27,14,391	2,43,32,879	1,94,75,278	2,29,60,405	2,34,04,560	2,48,07,826
Total Merchandise ..	1,30,64,28,506	1,35,01,76,054	1,17,30,45,422	1,34,58,25,058	1,36,76,36,945	1,27,72,13,251
Treasure, Private—						
Bengal	1,22,75,682	26,61,723	9,45,237	13,07,497	20,39,571	1,41,07,402
Bombay	4,43,50,799	1,91,04,670	1,01,30,351	4,48,77,330	4,79,61,620	12,98,30,600
Sind	13,79,775	24,82,172	34,45,895	17,68,825	7,85,859	73,23,742
Madras	1,39,78,408	53,11,351	50,00,987	39,55,880	37,45,414	37,71,606
Burma	6,05,406	3,45,430	35,309	6,216	3,626	33,621
Total ..	7,25,90,070	2,99,05,346	1,95,57,779	5,19,15,748	5,45,36,090	15,50,66,971
Do. Government ..	90,755	7,842	57,436	1,417	1,99,52,479	23,023
Total Treasure ..	7,26,80,825	2,99,13,188	1,96,15,215	5,19,17,165	7,44,88,569	15,50,89,994
Grand Total of Imports.	1,37,91,09,331	1,38,00,89,242	1,19,26,60,637	1,39,77,42,223	1,44,21,25,514	1,43,23,03,245

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	52,45,981	32,35,587	35,17,540	34,13,645	35,21,162	47,30,966
Bombay	2,84,33,268	1,97,33,172	2,15,58,254	2,38,04,885	2,66,94,310	4,85,56,608
Sind	91,41,349	60,69,776	64,92,807	57,12,182	53,84,438	72,33,541
Madras	27,13,669	22,60,283	17,12,558	16,57,077	11,02,206	10,59,815
Burma	10,51,993	8,94,628	8,92,410	8,68,927	9,52,646	8,26,406
Total ..	4,65,86,260	3,21,93,446	3,41,73,569	3,54,56,716	3,76,54,762	6,24,07,336
Indian Produce and Manufactures—						
Bengal	64,03,53,878	55,73,11,844	63,34,08,102	62,38,14,283	66,04,45,054	74,90,28,078
Bihar and Orissa ..	4,050	....	....	....	....	17,742
Bombay	31,50,95,935	23,16,87,185	28,34,58,065	31,02,08,498	30,44,82,183	39,54,56,673
Sind	11,53,26,924	10,69,30,508	13,57,66,955	15,84,76,647	17,26,88,134	24,43,66,326
Madras	25,97,94,915	23,55,04,692	24,64,20,592	25,09,04,809	26,80,25,171	36,13,75,647
Burma	22,83,10,392	19,12,86,735	17,34,53,106	17,32,93,260	19,95,96,452	21,10,01,820
Total ..	1,55,88,86,094	1,32,27,20,964	1,47,25,06,820	1,51,66,97,497	1,60,52,36,994	1,96,12,46,286

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1931-32 *to* 1936-37—(continued).

——	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Total Foreign and Indian Merchandise Exported, Private.—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	64,55,99,859	56,05,47,431	63,69,25,642	62,72,27,928	66,39,66,216	75,37,59,044
Bihar and Orissa	4,050	....	....	....	....	17,742
Bombay	34,35,29,203	25,14,20,357	30,50,16,319	33,40,13,383	33,11,76,493	44,40,13,281
Sind	12,44,68,273	11,30,00,284	14,22,59,762	16,41,88,829	17,80,72,572	25,15,99,867
Madras	26,25,08,584	23,77,64,975	24,81,33,150	25,25,61,886	26,91,27,377	36,24,35,462
Burma	22,93,62,385	19,21,81,363	17,43,45,516	17,41,62,187	20,05,49,098	21,18,28,226
Total ..	1,60,54,72,354	1,35,49,14,410	1,50,66,80,389	1,55,21,54,213	1,64,28,91,756	2,02,36,53,622
Do. Government Stores ..	65,49,971	44,19,699	50,34,820	28,17,431	30,76,228	12,41,262
Total Merchandise ..	1,61,20,22,325	1,35,93,34,109	1,51,17,15,209	1,55,49,71,644	1,64,59,67,984	2,02,48,94,884
Treasure, Private—						
Bengal	18,86,243	1,39,18,885	83,61,638	1,85,50,737	5,77,109	19,37,699
Bombay	61,21,26,871	60,68,16,363	53,72,81,386	53,52,48,774	40,56,43,942	29,27,16,728
Sind	44,38,871	69,04,770	12,83,600	10,14,982	3,02,965	3,88,675
Madras	58,31,107	4,37,41,748	3,82,40,286	1,45,91,852	37,52,996	26,49,946
Burma	47,81,131	78,10,367	67,31,543	78,55,855	79,86,197	23,47,266
Total ..	62,90,64,223	67,91,92,133	59,18,98,453	57,72,62,200	41,82,63,209	30,00,40,314
Do. Government	3,02,21,042	2,74,23,395	6,37,65,455	5,77,83,939	3,84,24,938	20,00,000
Total Treasure ..	65,92,85,265	70,66,15,528	65,56,63,908	63,50,46,139	45,66,88,147	30,20,40,314
Grand Total of Exports ..	2,27,13,07,590	2,06,59,49,637	2,16,73,79,117	2,19,00,17,783	2,10,26,56,131	2,32,69,35,198

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1937.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	1,26,29,628	....	1,26,29,628	5,46,39,844	....	5,46,39,844
[illegible]	....	....	....	....	....	....
France	2,09,061	....	2,09,061	....	....	....
Italy	5,63,241	....	5,63,241	....	....	....
Iraq	5,78,212	....	5,78,212	3,38,202	....	3,38,202
Arabia	18,21,841	....	18,21,841	6,77,843	....	6,77,843
Aden and Dependencies	5,46,877	....	5,46,877	4,735	22,433	27,168
Iran	....	....	....	29,593	....	29,593
Bahrein Islands	12,83,870	....	12,83,870	4,07,969	....	4,07,969
Africa, East	3,850	....	3,850	....	....	....
Union of South Africa	....	....	....	28	....	28
China (Hongkong)	9,480	....	9,480	70,536	....	70,536
Japan	....	....	....	74,362	....	74,362
Straits Settlements	8,510	....	8,510	....	....	....
Burma	7,710	....	7,710	41,40,934	12,40,565	53,81,499
Australia and New Zealand	....	....	....	54,80,107	....	54,80,107
Ceylon	14,55,131	....	14,55,131	2,398	....	2,398
Mauritius and Dependencies (including Seychelles)	50,704	....	50,704	2,044	....	2,044
Canada	....	....	....	13,61,804	....	13,61,804
United States of America	....	....	....	4,82,837	....	4,82,837
Egypt	280	....	280	16	....	16
Total	1,91,68,395	....	1,91,68,395	6,77,13,252	12,62,998	6,89,76,250

Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1937.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	7,72,21,528	....	7,72,21,528	28,74,265	....	28,74,265
Netherlands	10,35,628	....	10,35,628	....	....	....
France	....	....	....	....	....	....
Aden and Dependencies	1,33,970	....	1,33,970	1,516	....	1,516
Straits Settlements	4,13,530	....	4,13,530	....	....	....
Arabia	....	....	....	3,54,700	....	3,54,700
Bahrein Islands	....	....	..	13,99,600	....	13,99,600
Iran	....	....	..	....	....	....
Africa, East	3,59,864	...	3,59,864	2,000	....	2,000
Mauritius and Dependencies (including Seychelles)	....		....	....	....	....
Anglo-Egyptian Sudan	5,14,834		5,14,834	....	....	....
China (Hongkong)	37,23,460	.	37,23,460	....	....	....
Ceylon	6,38,358	..	6,38,358	1,105	....	1,105
Burma	33,535	....	33,535	....	63,60,000	63,60,000
United States of America	8,66,61,607	....	8,66,61,607	....	....	....
"For orders" Cargoes—						
United Kingdom	1,14,19,786	....	1,14,19,786	....	....	....
United States of America ..	6,24,554	....	6,24,554	....	....	....
Total ..	18,27,80,654	....	18,27,80,654	46,33,186	63,60,000	1,09,93,186

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea during the year 1937. (*From* 1*st January to* 31*st December* 1937.)

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom—							
London, Liverpool, etc. ..	12,80,985	116,04,381	....	4,13,61,703	....	2,420	....
Continent of Europe	....	7,72,302	....	....	....	....	....
America	....	....	....	18,44,641	....	....	....
Australia	....	....	....	24,20,707	....	....	....
Aden	18,373	4,34,573	1,932	....	....	300	....
Hongkong	....	....	....	67,236	....	3,300	....
Japan	....	....	....	74,362	....	....	....
Iraq	5,714	5,15,795	9,500	9,318	46,619	39,575	37,841
Arabian and Red Sea Ports ..	5,98,987	24,73,432	30,636	51,383	21,314	6,21,540	1,06,916
African Ports	3,850	....	....	....	....	....	....
Colombo	....	....	....	....	....	....	....
Bangkok	....	....	....	....	....	....	....
Mauritius	34,698	....	....	....	....	1,762	275
All Indian Ports	21,750	6,513	....	19,732	2,17,995	48,780	26,659
Total ..	19,64,357	1,58,06,996	42,068	4,58,49,082	2,85,928	7,17,677	1,71,691

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea during the year 1937. (*From* 1*st January to* 31*st December* 1937.)

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
London,-Liverpool, Plymouth, etc..	7,34,26,393	....	....	20,28,056	....	....	....
London, New York, Montreal, Paris or Amsterdam	8,65,40,212	....	....	....	....	....	....
Continent of Europe	7,38,139	....	....	....	....	....	....
America	1,32,04,957	....	....	....	....	....	....
Egypt	5,14,860	....	....	....	....	....	....
Aden	20,836	1,13,152	....	1,516	....	....	....
Hongkong	25,01,848	12,21,612	....	....	....	....	....
Straits Settlement	4,13,530	....	....	....	....	....	....
African Ports	3,54,389	5,469	....	....	....	2,000	....
Arabia Red Sea Port	....	....	....	....	....	2,03,500	....
Bangkok	51,847	....	....	....	....	....	....
Colombo	4,53,666	....	....	....	....	....	375
All Indian Ports	....	....	....	6,95,852	....	....	....
Total ..	17,82,20,677	13,40,233	....	27,25,424	....	2,05,500	375

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar years 1892 *to* 1937.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	820,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 *to* 1937—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198
Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the Years 1924 *to* 1937.							
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930 .. .. †	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634
1937	1,779,985	38,033	2,086,453	53,742*	250,228	50,131	623,774

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods.		Total Piecegoods.			Yarns.	
	Packages.	Yards.	Lbs.	Packages.	Yards.	Packages.	Yards.	lbs.*	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,949,824	80,995	31,337,340
1937	263,665	406,706,851	81,341,332	98,229	105,542,821	361,894	512,249,672	128,062,418	99,726	33,158,260

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloth.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1908.

1st January to 31st December	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889
1915	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	44,152	36	44,188	125,279	169,467	†	....
1927	2,753	67	2,820	148,568	151,388	†	....
1928	3,660	....	3,660	98,381	102,041	†	....
1929	3,169	....	3,169	132,734	135,903	†	....
1930	1,831	....	1,831	124,395	126,226	†	....
1931	213	....	213	142,023	142,236	†	....
1932	....	....	....	115,736	115,736	†	....
1933	....	....	....	108,894	108,894	†	....
1934	....	....	....	92,812	92,812	†	....
1935	....	....	....	86,567	86,567	†	....
1936	....	....	....	78,343	78,343	†	....
1937	6,595	50	6,645	93,081	99,726	†	....

* Complied from Returns received from the Railway Companies.

† Figures not available.

Foreign Countries to which Cotton Grey Piecegoods of Indian manufacture have been exported from Bombay by Sea since 1932-33. (*Year ending* 31*st March.*)

To	In lakhs of yards (000's omitted).				
	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
United Kingdom	1.22	.09	.03	1.13	.04
Aden and Dependencies ..	1.70	2.45	4.22	4.93	2.77
Bahrein Islands	.01	.06	.34	.03	.06
Ceylon	1.29	.31	4.35	2.92	1.75
Straits Settlements including Labuan	1.38	.66	1.89	5.86	10.57
Federated Malay States ..	..	..	.64	.12	.59
Cyprus	..	..	3.08	9.91	10.62
Natal	.02	..	..	..	..
Zanzibar and Pemba ..	2.55	2.67	1.18	.29	.09
Kenya Colony	5.25	4.08	3.26	2.39	3.60
Nigeria	..	..	.62	1.68	5.48
Tanganyika Territory ..	6.05	5.00	4.61	5.20	9.11
Somaliland Protectorate ..	..	..	.11	.59	5.90
Anglo-Egyptian Sudan ..	1.14	1.44	1.64	1.01	1.72
Mauritius and Dependencies .	1.18	.49	12.36	23.56	19.37
Seychelles	.33	.38	.86	.36	1.96
Commonwealth of Australia .	.59	.42	.39	.03	.40
Other British Possessions ..	..	.07	.42	1.14	2.92
Syria	..	..	..	..	.80
Muscat Territory and Trucial Oman	.16	.23	.35	.62	.32
Other Native States in Arabia	.21	.76	.55	.44	.42
Iraq	1.11	1.30	.67	.52	.23
Persia	.27	1.30	.33	.75	..
Siam	.01	1.27	.01	.01	..
Egypt	..	..	..	3.01	124.01
Portuguese East Africa ..	16.92	13.32	16.89	20.84	25.92
Italian East Africa	.38	.45	.17	.13	..
French Somaliland	3.12	3.05	2.47	.12	.37
Guatemala	..	..	..	..	2.17
Other Foreign Countries ..	.02	..	..	.01	..
Total Grey Piecegoods ..	44.91	39.80	61.44	87.60	231.19
Value in lakhs of Rupees ..	11.99	10.24	13.93	17.84	40.60

Foreign Countries to which Indian Cotton Yarn have been exported from Bombay by Sea since 1932-33.
(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
United Kingdom	1.98	4.40	2.36	1.82	1.50
Malta and Gozo	.11	.35	.11	.20	.18
Cyprus	1.23	2.17	2.37	2.55	2.86
Aden and Dependencies ..	20.75	21.39	14.74	15.19	11.49
Bahrein Islands	.89	1.33	1.16	1.34	1.90
Palestine	3.60	3.68	3.76	3.88	2.71
Ceylon	.06	.09	.29	.11	.24
Straits Settlements including Labuan	4.65	6.69	6.98	12.68	13.87
Hongkong	..	..	..	..	1.73
Tanganyika Territory ..	.20	.21	.23	.33	.37
Anglo-Egyptian Sudan ..	..	.02	.22	.18	.45
Zanzibar and Pemba ..	.36	.55	.55	.56	.66
Kenya Colony	.86	1.20	.89	1.21	1.15
Australasia	..	..	.18	..	..
Other British Possessions ..	.08	.09	.11	.09	.02
Belgium	..	..	..	.24	6.57
Germany	..	.61	.93	..	..
Italy	..	.08	.10	.12	..
Greece	.77	.51	.71	1.55	1.74
Georgia	.18	..	..	.14	..
Serbcroat Slovene State ..	..	..	..	.26	..
Bulgaria	2.86	3.26	1.36	.10	2.50
Rumania	..	..	.62	1.73	1.20
Yugoslavia	..	..	..	..	.74
Tripoli	.48	.30	..	..	..
Egypt	3.29	1.72	.29	3.04	4.18
Syria	22.83	28.04	34.07	24.46	35.60
Smyrna	..	..	..	.95	..
Turkey, European	.23	..	.12	..	1.16
Turkey, Asiatic	..	2.00	5.35	..	.80
Muscat Territory and Trucial Oman	1.35	1.36	1.13	1.39	1.27
Other Native States in Arabia	2.46	1.71	1.17	..	1.69
Iraq	10.99	8.06	7.40	8.48	10.23
Persia	36.53	43.49	15.36	.08	..
Siam	7.56	8.29	6.57	5.31	2.90
Java	..	..	..	..	.78
China excluding Hongkong ..	..	..	1.02	..	..
Japan	..	..	..	..	.20
Morocco	..	..	..	.18	.18
Portuguese East Africa ..	.33	.01	..	..	.01
Italian East Africa	.33	.48	.53	.64	..
French Somaliland	18.21	15.06	9.41	2.80	.81
Guatemala	..	..	..	..	.18
U. S. of America *via* Atlantic Coast	..	..	..	..	.08
Other Foreign Countries ..	.06	.10	.04	..	..
Total Yarns ..	143.23	157.25	120.13	91.61	111.95
Value in lakhs of Rupees ..	74.88	78.55	58.80	44.21	53.61

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

ENTER

YEAR.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1925-1926 ..	640	61,953	2,411	7,041,419	3,051	7,103,372	357	32,931
1926-1927 ..	518	51,249	2,365	6,930,836	2,883	6,982,085	397	39,415
1927-1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	38,459
1928-1929 ..	491	43,303	2,718	8,187,016	3,209	8,230,319	420	39,941
1929-1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930-1931 ..	492	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931-1932 ..	522	42,853	2,328	7,337,802	2,850	7,380,655	313	30,232
1932-1933 ..	509	40,005	2,124	6,909,371	2,633	6,949,376	314	30,683
1933-1934 ..	415	33,108	2,219	7,320,543	2,634	7,353,651	354	28,543
1934-1935 ..	483	38,433	2,399	7,901,184	2,882	7,939,617	453	38,890
1935-1936 ..	457	38,112	2,456	8,264,163	2,913	8,302,275	369	33,548
1936-1937 ..	488	41,381	2,441	8,146,359	2,929	8,187,740	†	†

CLEAR

1925-1926 ..	858	87,319	2,727	8,093,319	3,585	8,180,638	65	5,223
1926-1927 ..	871	89,181	2,630	7,800,807	3,501	7,889,988	32	2,901
1927-1928 ..	992	96,946	2,667	7,828,456	3,659	7,925,402	24	2,590
1928-1929 ..	963	91,108	2,804	8,358,972	3,767	8,458,706	30	3,510
1929-1930 ..	873	82,070	2,888	8,776,368	3,762	8,860,735	23	1,462
1930-1931 ..	920	86,604	2,523	7,823,154	3,445	7,915,668	53	3,686
1931-1932 ..	843	76,101	2,338	7,481,175	3,182	7,560,254	47	4,381
1932-1933 ..	858	76,109	2,216	7,206,561	3,074	7,282,670	48	3,987
1933-1934 ..	800	69,207	2,334	7,647,628	3,134	7,716,835	48	2,598
1934-1935 ..	964	77,717	2,497	8,149,328	3,461	8,227,045	29	2,313
1935-1936 ..	891	77,495	2,477	8,170,185	3,368	8,247,680	43	3,606
1936-1937 ..	932	81,072	2,646	8,651,931	3,578	8,733,003	†	†

† Details not

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1925-26 *to* 1936-37.

ED.

Ballast.				Total.				Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
375	1,165,692	732	1,198,623	997	94,884	2,786	8,207,111	3,783	8,301,995
402	1,323,166	799	1,362,581	915	90,664	2,767	8,254,002	3,682	8,344,666
378	1,188,018	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
414	1,238,427	837	1,286,994	911	83,244	3,132	9,425,423	4,046	9,517,313
420	1,244,004	713	1,272,866	831	76,637	3,141	9,571,052	3,972	9,647,689
338	1,071,846	676	1,105,684	830	75,503	2,876	8,930,127	3,706	9,005,630
291	956,718	608	963,405	835	73,085	2,619	8,294,520	3,241	7,903,382
294	922,723	604	986,345	823	70,688	2,418	7,832,694	3,455	8,370,583
327	1,081,793	681	1,110,336	769	61,651	2,546	8,402,336	3,315	8,463,987
285	930,507	738	969,397	936	77,323	2,684	8,821,751	3,620	8,899,074
286	942,228	655	975,776	826	71,660	2,742	9,206,391	3,568	9,278,051
†	†	746	1,245,260	†	†	†	†	3,675	9,433,000
ED.									
190	647,728	255	652,951	923	92,542	2,917	8,741,047	3,840	8,833,589
223	800,736	255	803,637	903	92,082	2,853	8,601,543	3,756	8,693,625
233	773,760	257	776,350	1,016	99,536	2,900	8,602,216	3,916	8,701,752
277	892,628	307	896,138	993	94,618	3,078	9,251,600	4,074	9,354,844
248	876,507	271	877,969	896	83,532	3,136	9,652,875	4,033	9,738,704
255	871,331	308	875,017	973	90,290	2,778	8,694,486	3,753	8,790,685
173	623,075	220	627,456	890	80,482	2,511	8,104,250	3,402	8,187,710
152	518,093	200	522,080	906	80,096	2,368	7,724,654	3,274	7,804,750
120	446,313	168	448,911	848	71,805	2,454	8,093,941	3,302	8,165,746
150	487,539	179	489,852	993	80,030	2,647	8,636,867	3,640	8,716,897
220	789,994	263	793,600	934	81,101	2,697	8,960,119	3,631	9,041,220
†	†	233	741,997	†	†	†	†	3,811	9,475,000

available.

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay

ENTER

Year.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1925-1926 ..	143	17,724	616	2,330,516	759	2,348,240	1	88
1926-1927 ..	110	14,547	548	2,115,885	658	2,130,432	3	631
1927-1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928-1929 ..	151	15,519	615	2,500,473	738	2,513,854	..	..
1929-1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930-1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931-1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
1932-1933 ..	102	10,587	565	2,916,674	667	2,927,261	..	..
1933-1934 ..	94	9,679	573	3,051,270	667	3,060,949	1	124
1934-1935 ..	93	10,030	572	3,035,688	665	3,045,718	..	..
1935-1936 ..	79	8,905	591	3,058,539	670	3,067,444	1	75
1936-1937 ..	83	8,535	568	2,982,625	651	2,991,160	2	158

CLEAR

1925-1926 ..	115	13,244	419	1,662,530	534	1,675,774	4	564
1926-1927 ..	87	9,785	347	1,438,438	434	1,448,216	7	1,162
1927-1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
1928-1929 ..	81	8,009	449	1,956,501	529	1,964,528	1	250
1929-1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930-1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931-1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56
1932-1933 ..	81	7,858	470	2,627,271	551	2,635,129	3	277
1933-1934 ..	94	9,751	478	2,684,730	572	2,694,481	7	558
1934-1935 ..	87	9,038	464	2,703,615	551	2,712,653	1	49
1935-1936 ..	101	9,837	444	2,566,995	545	2,576,832	..	..
1936-1937 ..	82	7,900	438	2,483,445	520	2,491,345	1	148

FOREIGN TRADE.

which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1925-26 *to* 1936-37.

ED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons
36	103,893	37	103,981	144	17,812	652	2,434,409	796	2,452,221
33	124,024	36	124,655	113	15,178	581	2,239,909	694	2,255,087
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	151	15,519	660	2,671,713	783	2,685,024
30	97,629	30	97,629	120	12,527	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724,284
23	106,963	23	106,963	96	10,303	562	2,637,339	658	2,647,642
18	60,723	18	60,723	102	10,587	583	2,977,397	685	2,987,984
44	143,214	45	143,338	95	9,803	617	3,194,484	712	3,204,287
24	76,943	24	76,943	93	10,030	596	3,112,631	689	3,122,661
24	88,476	25	88,551	80	8,980	615	3,147,015	695	3,155,995
45	167,572	47	167,730	85	8,693	613	3,150,197	698	3,158,890

ED.

70	272,770	74	273,334	119	13,808	489	1,935,300	608	1,949,108
84	333,836	91	334,998	94	10,947	431	1,772,267	525	1,783,214
61	240,467	61	240,462	101	11,383	483	1,929,269	584	1,940,652
70	253,734	71	253,984	82	8,349	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,808
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,608	483	2,399,718	553	2,406,326
60	222,535	63	222,812	84	8,135	530	2,849,806	614	2,857,941
47	199,275	54	199,833	101	10,309	525	2,884,005	626	2,894,314
41	125,192	42	125,241	88	9,087	505	2,828,807	593	2,837,894
78	320,199	78	320,199	101	9,837	522	2,887,194	623	2,897,031
77	349,048	78	349,196	83	8,048	515	2,832,493	598	2,840,541

Current Quotations as estimated by the Committee of the Bo

QUOTATIONS.	Week ending 8th January 1937.	Week ending 15th January 1937.	Week ending 22nd January 1937.	Week ending 29th January 1937.	Week ending 5th February 1937.	Week ending 12th February 1937.	Week ending 19th February 1937.	Week ending 26th February 1937.	Week ending 5th March 1937.	Week ending 12th March 1937.	Week ending 19th March 1937.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills. Telegraphic Transfer	1s. 6 1/32d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills. Sight	1s. 6 1/32d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 1/8d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills. 3 months'	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 4 "	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 6 "	....	....	....	....	....	....	....	....	....	....	....
First Class Credits 3 months' Sight	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
First Class Credits 4 " "	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.
First Class Credits 6 " "	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
French Francs, D/A Sight	805	805	806	814	811	808	809	809	811 Nominal.	817	816
" " 3 months' "	817	817	818	827	823	820	821	821	826 "	829	828
On Calcutta Bank Telegraphic Transfer	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mercantile Bills 60 days' Sight (Japan per 100 Yens)	75 12 0	76 2 0	76 2 0 Nom.	76 2 0	76 2 0	76 4 0	76 4 0	76 4 0	76 0 0 Nom.	76 4 0	76 4 0
English Bar Gold (100 touch per tola)	35 0 3	35 0 9	34 1 9	35 2 6	35 3 6	35 2 9	35 2 9	35 3 9	35 3 9	35 4 3	35 3 9
Sovereigns	22 4 0	22 4 6	22 4 6	22 6 6	22 7 0	22 5 6	22 5 6	22 5 6	22 7 6	22 7 0	22 7 0
Bar Silver Ready	52 7 0	51 7 0	50 11 0	50 9 0	50 2 0	50 3 0	50 3 6	50 7 0	53 5 0	52 15 6	53 3 0
Bar Silver Forward	52 8 0	51 1 0	50 10 0	50 5 0	49 4 0	49 5 0	49 1 0	49 6 0	51 2 0	50 12 6	51 0 0
RATES OF DISCOUNT.											
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Money Market	Quiet.	Steady.	Quiet.	Steady.	Steady.	Steady.	Steady.	Quiet.	Quiet.	Quiet.	Steady.
GOVERNMENT SECURITIES.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Three and a half per cent.	99 7 0	99 4 0	99 0 0	96 5 0	98 3 0	97 0 0	94 5 0	95 2 0	93 8 0	92 14 0	94 2 0
Three per cent.	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
Four per cent. 1960/70	115 1 0	113 12 0	113 15 0	113 0 0	113 14 0	113 10 0	112 0 0	110 8 0	112 0 0	110 12 0	110 14 0
Five per cent. tax free 1945/55	120 13 0	119 14 0	119 15 0	119 4 0	120 4 0	119 14 0	118 12 0	118 8 0	118 4 0	117 14 0	118 8 0
Memo of Government Paper enfaced for London	....	....	....	....	....	....	....	....	....	....	....
Government Paper enfaced from London to Bombay	27,700 0 0	52,100 0 0	5,89,000 0 0	*Nil.*	*Nil.*	1,05,500 0 0	*Nil.*	28,900 0 0	4,700 0 0	*Nil.*	51,000 0 0
IMPORTS.											
Piecegoods Market	Firm, little enquiry.	Firm, good enquiry.	Dull with no enquiry.	Dull, no enquiry.	Dull with no enquiry.	Dull with little enquiry.	Dull with little enquiry.	Dull with little enquiry.	Steady with little enquiry.	Steady with little enquiry.	Little enquiry.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Japanese Grey Shirtings, Peach, 36" ×40 yards (per piece)	10 10 0	10 10 0	10 8 0	10 8 0	10 8 0	10 16 0	10 10 0	10 10 0	10 10 0	10 10 0	10 10 0
" White, " 800, 34" ×42 yards (")	11 10 0	12 4 0	11 11 0	11 9 0	11 8 0	11 9 0	11 6 6	11 5 0	11 5 0	11 9 0	11 10 0
" Grey Yarn, Five Star 2/42s (per lb.)	0 13 6	0 15 0	0 15 0	0 14 0	0 14 0	0 11 0	0 13 6	0 13 3	0 13 6	0 13 9	0 13 10
Copper Braziers (in Bundles) (per cwt.)	51 0 0	52 8 0	52 4 0	52 8 0	52 12 0	52 11 0	55 0 0	63 8 0	63 0 0	65 12 0	66 0 0
Yellow Metal (")	40 8 0	41 8 0	41 8 0	41 8 0	41 8 0	41 8 0	42 8 0	47 0 0	47 0 0	48 0 0	47 0 0
Continental Basic Steel Bars (")	7 0 0	7 0 0	7 0 0	6 10 0	6 8 0	7 0 0	7 0 0	7 8 0	8 0 0	8 0 0	10 8 0
" Nail Rods (")	7 8 0	7 4 0	7 4 0	7 0 0	7 8 0	8 8 0	8 12 0	9 4 0	9 8 0	10 0 0	15 0 0
Galvanized Corrugated Sheets. (")	11 0 0	11 8 0	10 14 0	11 0 0	11 2 0	11 2 0	11 10 0	11 14 0	12 10 0	13 0 0	17 0 0
Sugar Ordinary Crystals Beet (per cwt. *ex.* Godown)	....	....	....	....	....	....	....	....	....	....	....
Sugar Java White Granulated T.M.O. quality (per cwt. *ex.* Godown)	13 0 0	13 2 0	13 0 0	13 2 0	13 0 0	13 0 0	12 14 0	13 0 0	13 0 0	13 0 0	13 0 0
Sugar African (per cwt. *ex.* Godown)	....	....	....	....	....	....	....	....	....	....	....
Sugar Indian (per cwt. *ex.* Godown)	11 0 0 to 13 0 0	11 0 0 to 13 0 0	11 0 0 to 12 12 0	11 0 0 to 13 0 0	11 0 0 to 13 0 0	11 0 0 to 13 0 0	10 12 0 to 12 12 0	10 8 0 to 12 2 0	10 8 0 to 12 2 0	10 8 0 to 12 2 0	10 8 0 to 12 2 0
COAL.											
Indian Coal, F.O.R.—											
Bengal Coal—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Deshargarh (Selected Grade) F.O.R. (per ton)	3 4 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0
Jehria (Selected Grade) F.O.R. (")	3 4 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0
Jehria (Grade I) F.O.R. (")	2 12 0	3 12 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0
Central Provinces (1st class) F.O.R. (")	4 14 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0
Foreign Coal (C.I.F.)—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Best Welsh all large (per ton)	....	....	....	....	....	....	....	....	....	....	....
" " ⅔ large and ⅓ small (")	....	....	....	....	....	....	....	....	....	....	....
" Natal (African) (")	....	....	....	....	....	....	....	....	....	....	....
EXPORTS.											
Cotton Exports.—											
(Fully pressed, per Candy of 784 lbs.)											
Cotton Market	Weak.	Steady.	Weak.	Steady.	Steady	Steady.	Weak.	Steady.	Weak.	Quiet.	Weak.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
M. G. Bengals (Railway terms) F. G.	177 0 0 Spot.	184 0 0 Spot.	179 0 0 Spot.	184 0 0 Spot.	182 0 0 Spot.	179 0 0 Spot.	178 0 0 Spot.	179 0 0 Spot.	186 0 0 Spot.	189 0 0 Spot.	197 0 0 Spot.
" " (") F. G.	....	183 0 0 Dec.-Jan. 1937.	178 0 0 Dec.-Jan. 1937.	182 0 0 March 1937.	182 0 0 March 1937.	178 0 0 March 1937.	177 0 0 March 1937.	178 0 0 March 1937.	185 0 0 March 1937.	188 0 0 March 1937.	196 0 0 March 1937.
" " (") F. G.	....	181 0 0 March 1937.	176 0 0 March 1937.	180 0 0 May 1937.	181 0 0 May 1937.	178 0 0 May 1937.	177 0 0 May 1937.	178 0 0 May 1937.	186 0 0 May 1937.	189 0 0 May 1937.	197 0 0 May 1937.
" Oomra (Fair staple) Fine	....	209 0 0 Spot.	209 0 0 Spot.	210 0 0 Spot.	212 0 0 Spot.	211 0 0 Spot.	204 0 0 Spot.	206 0 0 Spot.	216 0 0 Spot.	224 0 0 Spot.	233 0 0 Spot.
" " (") Fine	209 0 0 Spot.	206 0 0 Dec.-Jan. 1937.	207 0 0 Dec.-Jan. 1937.	208 0 0 March 1937.	210 0 0 March 1937.	208 0 0 March 1937.	202 0 0 March 1937.	204 0 0 March 1937.	214 0 0 March 1937.	222 0 0 March 1937.	232 0 0 March 1937.
" " (") Fine	....	208 0 0 March 1937.	205 0 0 March 1937.	208 0 0 May 1937.	210 0 0 May 1937.	208 0 0 May 1937.	202 0 0 May 1937.	204 0 0 May 1937.	214 0 0 May 1937.	222 0 0 May 1937.	230 0 0 May 1937.
" Broach F. G.	....	229 0 0 April-May 1937.	227 0 0 April-May 1937.	228 0 0 April-May 1937.	227 0 0 April-May 1937.	226 0 0 April-May 1937.	220 0 0 April-May 1937.	222 0 0 April-May 1937.	233 0 0 April-May 1937.	238 0 0 April-May 1937.	245 0 0 April-May 1937.
" " F. G.	....	231 0 0 July-Aug. 1937.	229 0 0 July-Aug. 1937.	231 0 0 July-Aug. 1937.	229 0 0 July-Aug. 1937.	228 0 0 July-Aug. 1937.	223 0 0 July-Aug. 1937.	225 0 0 July-Aug. 1937.	236 0 0 July-Aug. 1937.	243 0 0 July-Aug. 1937.	250 0 0 July-Aug. 1937.
" " F. G.	....	....	....	....	....	....	....	....	....	....	....

eek ending 9th March 1937.	Week ending 25th March 1937.	Week ending 2nd April 1937.	Week ending 9th April 1937.	Week ending 16th April 1937.	Week ending 23rd April 1937.	Week ending 30th April 1937.	Week ending 7th May 1937.	Week ending 14th May 1937.	Week ending 21st May 1937.	Week ending 28th May 1937.	Week ending 4th June 1937.	Week ending 11th June 1937.	Week ending 18th June 1937.	Week ending 25th June 1937.
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.
6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.
6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6¼d.
6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.			ls. 6 9/32d.
	816	816	824	840	852	845	841	843	847	845	844	852	853	876
	828	828	836	852	865	858	854	856	860	859	857	867	870	893
1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 2 0	76 2 0
3 9	35 4 0	35 2 9	34 14 0	34 15 6	34 13 0	34 8 0	34 12 0	34 9 6	34 10 3	34 12 3	34 11 6	34 12 0	34 10 3	34 13 3
7 0	22 7 0	22 7 0	22 5 6	22 3 6	22 2 6	22 1 0	22 2 0	22 2 6	22 3 0	22 3 6	22 3 0	22 3 0	22 2 0	22 1 6
3 0	53 1 0	53 12 0	54 7 0	53 6 0	52 10 0	52 13 0	53 1 0	53 0 0	52 14 0	52 10 0	52 13 6	52 1 6	51 10 0	51 10 0
0 0	50 13 0	51 7 0	52 3 0	51 2 0	50 5 0	52 15 6	53 3 0	53 1 0	53 0 0	52 12 6	53 0 6	52 4 6	51 12 0	51 12 0
per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
..	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
Steady.	Quiet.	Steady.	Steady.	Steady.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Steady.	Steady.	Steady.	Quiet.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
94 2 0	93 11 0	92 9 0	93 1 0	92 14 0	95 3 0	93 11 0	94 7 0	94 6 0	94 13 0	95 14 0	95 9 0	95 8 0	95 8 0	94 15 0
Nil.	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
10 14 0	110 10 0	110 6 0	110 8 0	110 8 0	110 12 0	110 8 0	110 10 0	110 10 0	110 8 0	110 9 0	110 9 0	110 8 0	110 2 0	110 4 0
18 8 0	118 6 0	118 6 0	118 12 0	119 0 0	120 2 0	119 6 0	119 6 0	119 8 0	119 7 0	110 7 0	119 6 0	119 6 0	119 6 0	119 6 0
....	....	....	....	....	....	22,100 0 0	....	....	....	....	....	....	....	28,800 0 0
00 0 0	*Nil.*	18,200 0 0	30,000 0 0	55,500 0 0	3,51,200 0 0	23,500 0 0	*Nil.*	*Nil.*	*Nil.*	*Nil.*	94,000 0 0	80,000 0 0	*Nil.*	64,000 0 0
Little nquiry	Firm with little enquiry.	Firm with good enquiry.	Firm with good enquiry.	Steady with dull enquiry.	Dull with less enquiry.	Dull with no enquiry.	Dull with very little enquiry.	Dull with no enquiry.	Dull with no enquiry.	Steady with enquiry.	Steady with no enquiry.	Steady with no enquiry.	Dull with no enquiry.	Dull with no enquiry.
a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
0 0	10 10 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	10 12 0	11 0 0	11 0 0	11 0 0
0 0	11 9 0	11 9 0	11 12 6	11 12 0	11 9 0	11 7 0	11 7 0	11 6 0	11 8 0	11 8 6	11 8 0	11 8 0	11 6 6	11 6 6
3 10½	0 13 10½	0 13 9	0 13 9	0 13 9	0 13 9	0 13 6	0 14 0	0 14 6	0 14 6	0 14 3	0 14 3	0 14 3	0 14 3	0 14 3
0 0	63 10 0	61 8 0	61 0 0	59 0 0	55 9 0	54 8 0	55 8 0	56 8 0	58 8 0	58 4 0	58 0 0	56 0 0	54 8 0	54 8 0
0 0	47 0 0	47 0 0	46 0 0	46 0 0	44 0 0	42 8 0	42 8 0	42 8 0	42 8 0	43 8 0	43 8 0	43 8 0	42 8 0	40 8 0
8 0	10 0 0	10 0 0	9 0 0	9 4 0	9 4 0	8 14 0	9 0 0	9 0 0	9 0 0	8 12 0	8 12 0	8 8 0	8 4 0	8 0 0
0 0	13 0 0	13 0 0	11 8 0	12 8 0	12 8 0	11 0 0 to 12 0 0	11 0 0	11 0 0	11 0 0	10 12 0	10 8 0	10 0 0	9 0 0	9 0 0
0 0	16 8 0	16 8 0	15 0 0	14 12 0	14 12 0	15 0 0	15 8 0	15 8 0	15 12 0	15 10 0	15 0 0	12 8 0	11 8 0	11 0 0
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
0 0	13 0 0	13 0 0	13 0 0 Nom.	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	15 0 0	15 0 0 Nom.	15 0 0	15 0 0	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
8 0 to 2 0	10 8 0 to 12 2 0	10 8 0 to 12 2 0	11 0 0 to 12 6 0	10 6 0 to 12 0 0	10 8 0 to 12 0 0	10 12 0 to 12 4 0	10 8 0 to 12 4 0	10 6 0 to 12 4 0	10 6 0 to 12 4 0	10 8 0 to 12 4 0	10 8 0 to 12 4 0	10 8 0 to 12 4 0	10 8 0 to 12 4 0	10 2 0 to 12 0 0
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
2 0	3 12 0	3 12 0	3 8 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 14 0	3 14 0	3 14 0	4 4 0	4 4 0
2 0	3 12 0	3 12 0	3 8 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 12 0	3 14 0	3 14 0	3 14 0	4 4 0	4 4 0
0 0	3 0 0	3 0 0	2 12 0	3 0 0	3 0 0	3 0 0	2 12 0	2 8 0	3 0 0	3 0 0	3 4 0	3 0 0	3 12 0	4 4 0
0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0
s. d.	£ s. d.	£ s. d.	£ s. d.	£. s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Weak.	Steady.	Weak.	Weak.	Weak.	Weak.	Weak.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.
a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
0 0 Spot.	198 0 0 Spot.	204 0 0 Spot.	201 0 0 Spot.	194 0 0 Spot.	190 0 0 Spot.	184 0 0 Spot.	191 0 0 Spot.	194 0 0 Spot.	198 0 0 Spot.	201 0 0 Spot.	201 0 0 Spot.	197 0 0 Spot.	193 0 0 Spot.	189 0 0 Spot.
0 0	March 1937.													
	198 0 0	204 0 0	201 0 0	194 0 0	190 0 0	184 0 0	190 0 0	193 0 0	196 0 0	199 0 0	200 0 0	196 0 0	191 0 0	188 0 0
rch 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.
0 0	....	....	203 0 0	196 0 0	192 0 0	186 0 0	192 0 0	193 0 0	197 0 0	....	....	....	....	....
May 1937.			July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.					
0 0 Spot.	231 0 0 Spot.	240 0 0 Spot.	236 0 0 Spot.	228 0 0 Spot.	225 0 0 Spot.	214 0 0 Spot.	221 0 0 Spot.	221 0 0 Spot.	226 0 0 Spot.	232 0 0 Spot.	236 0 0 Spot.	229 0 0 Spot.	220 0 0 Spot.	217 0 0 Spot.
	March 1937.													
0 0	231 0 0	238 0 0	234 0 0	226 0 0	223 0 0	212 0 0	219 0 0	219 0 0	224 0 0	229 0 0	233 0 0	228 0 0	220 0 0	217 0 0
rch 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	May 1937.	July 1937.	July 1937.	July 1937.	July 1937	July 1937.
0 0	232 0 0	239 0 0	236 0 0	228 0 0	225 0 0	215 0 0	222 0 0	221 0 0	226 0 0	....	....	....	....	....
May 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.	July 1937.					
0 0	244 0 0	250 0 0	247 0 0	237 0 0	233 0 0	225 0 0	232 0 0 Spot.	230 0 0 Spot.	235 0 0 Spot.	238 0 0 Spot.	239 0 0 Spot.	233 0 0 Spot.	227 0 0 Spot.	225 0 0 Spot.
May 1937.	April-May 1937.	April-May 1937.	April-May 1937.	April-May 1937.	April-May 1937.	April-May 1937.								
0 0	249 0 0	256 0 0	252 0 0	243 0 0	238 0 0	231 0 0	231 0 0	228 0 0	233 0 0	239 0 0	240 0 0	233 0 0	227 0 0	225 0 0
ug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	April-May 1937.	April-May 1937.	April-May 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.	July-Aug. 1937.
....	....	....	....	....	245 0 0	237 0 0	237 0 0	233 0 0	237 0 0	243 0 0	....	....	....	....
					April-May 1938	July-Aug. 1937	July-Aug. 1937	July-Aug. 1937	July-Aug. 1937	April-May 1938				

,, ,,	Good							
,, ,,	Good							
,, ,,	Good							
,, Muttia	Good							
,, ,,	Good							
,, Southern	Good							

SEEDS AND WHEAT.

	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Cotton seed (per cwt.)	2 0 0	3 1 0	2 14 0	2 13 6	2 13 0	2 13 0	2 12 0	2 13 0	2 13 6	2 14 6	2 15 0
Gingelly seed, White Bold (,,)	9 0	9 6 0	9 1 0	9 3 0	9 2 0	9 4 0	9 4 0	9 2 0	9 4 0	9 5 0	9 5 0
,, ,, (Mixed, 50 per cent.) (,,)	....	....	....	....	....	....	....	....	....	....	....
Linseed, Bold (,,)	7 0	7 9 0	7 7 6	7 4 6	7 6 6	7 5 0	7 4 6	7 9 0	7 13 6	8 0 6
,, Small seed (,,)	7 0	7 7 0	7 5 6	7 2 6	7 4 6	7 3 0	7 2 6	7 7 0	7 11 6	7 12 6
Rape seed, Guzerat, Yellow (,,)	8 12 0	8 8 0	8 8 0	8 6 0	8 4 0	8 4 0	8 4 0	8 0 0	8 0 0	8 1 0
,, Brown, Delhi (,,)	7 [illegible] 0 Nom.	7 8 0 Nom.	7 2 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 4 0 Nom.	7 4 0 Nom.	7 4 0 Nom.
,, ,, Cawnpore (,,)	7 0 ,,	7 8 0 ,,	7 2 0 ,,	7 0 0 ,,	7 0 0 ,,	7 0 0 ,,	7 0 0 ,,	7 0 0 ,,	7 4 0 ,,	7 4 0 ,,	7 4 0 ,,
,, Yellow, ,, (,,)	8 4 0 ,,	8 4 0 ,,	8 0 0 ,,	7 14 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,
Poppy seed (,,)	....	....	....	....	....	....	....	....	....	....	....
Groundnuts (Bombay, Bold) (,,)	8 1 0	8 14 6	8 14 0	8 11 6	8 7 6	8 7 6	8 6 0	8 2 0	8 9 0	8 9 6	8 11 0
Mowra seed (,,)	6 0 0 Nom.	6 1 0 Nom.	6 2 0 Nom.	6 2 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 1 0 Nom.
Castor seed, Ordinary Quality F. A. (,,)	7 3 6	7 9 0	7 8 0	7 3 6	7 3 0 ,,	7 2 0	7 2 0	7 3 6	7 6 0	7 8 0	7 8 6
Wheat, White Pessy, 91 per cent. (,,)	5 15 6	6 0 6 Nom.	6 3 0 Nom.	6 0 0 Nom.	5 14 6 ,,	5 15 0 Nom.	5 10 6 Nom.	5 8 6 Nom.	5 8 6 Nom.	5 11 0 Nom.
,, ,, ,, 85 ,, (,,)	5 14 6	5 15 6 ,,	6 2 0 ,,	5 15 0 ,,	5 13 6 ,,	5 14 0 ,,	5 9 6 ,,	5 7 6 ,,	5 7 6 ,,	5 7 6 ,,	5 10 0 ,,
,, ,, ,, 70 ,, (,,)	5 13 6	5 14 6 ,,	6 1 0 ,,	5 14 0 ,,	5 12 6 ,,	5 13 0 ,,	5 8 6 ,,	5 6 6 ,,	5 6 6 ,,	5 6 6 ,,	5 9 0 ,,
,, Jubbulpore Pessy (,,)	5 12 6	5 13 6 ,,	6 0 0 ,,	5 14 0 ,,	5 11 6 ,,	5 12 0 ,,	5 7 6 ,,	5 5 6 ,,	5 5 6 ,,	5 5 6 ,,	5 8 0 ,,
,, Ahmedabad, Soft, Red (,,)	....	....	....	....	....	....	....	....	....	....	....
,, Hard Yellow, 75 per cent. (,,)	6 12 0	6 12 6 Nom.	6 14 0 Nom.	6 10 0 Nom.	6 8 0 Nom.	6 10 0 Nom.	6 12 0 Nom.	6 11 0 Nom.	6 12 0 Nom.	6 14 0 Nom.	7 0 0 Nom.
,, ,, 63 ,, (,,)	6 7 0	6 7 0 ,,	6 9 0 ,,	6 5 0 ,,	6 3 0 ,,	6 5 0 ,,	6 7 0 ,,	6 6 0 ,,	6 7 0 ,,	6 9 0 ,,	6 11 0 ,,
,, ,, 50 ,, (,,)	6 2 0	6 2 0 ,,	6 4 0 ,,	6 0 0 ,,	5 14 0 ,,	6 0 0 ,,	6 2 0 ,,	6 1 0 ,,	6 2 0 ,,	6 4 0 ,,	6 6 0 ,,
,, Delhi, No. 1, White Pessy (,,)	5 14 0	5 15 0	6 2 0	5 12 0	5 11 0	5 13 0	5 12 0	5 10 0	5 12 0	5 12 0	5 14 0
,, ,, Red (,,)	5 12 0	5 13 0	5 14 0	5 10 0	5 9 0	5 11 0	5 10 0	5 8 0	5 10 0	5 10 0	5 12 0
,, Hard Red Katha (,,)	....	....	....	....	....	....	....	....	....	....	....
,, Nagpore Kathi (,,)	....	....	....	....	....	....	....	....	....	....	....

FREIGHTS.

Market	Firm.	Firm.	Firm.	Firm.	Firm.	Quiet.	Steady.	Steady.	Steady.	Quiet.	Steady.
	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
London—Light Seeds (per ton)	32 0 to 37 0 Jan.-Apr.	32 0 to 37 0 Jan.-Apr.	32 0 to 37 0 Jan.-May	32 0 to 37 0 Feb.-May	32 0 to 37 0 Feb.-May	30 0 May-Sep.	30 0 Feb.-Sep.	30 0 Mar.-Sep.	30 0 Mar.-Oct.	30 0 Mar.-Oct.	30 0 Mar.-Dec
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	35 0 to 40 0 ,,
Hull—Light Seeds (,,)	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	35 0 to 40 0 ,,
Liverpool—Light Seeds (,,)	36 0 ,,	36 0 ,,	32 0 January.	33 0 February.	33 0 February.	33 0 February.	32 0 March.	32 0 March.	32 0 March.	28 0 March.	30 0 March.
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,
Antwerp—Light Seeds (,,)	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 Jan.-May	32 0 to 37 0 Feb.-May	32 0 to 37 0 Feb.-May	30 0 May-Sep.	30 0 Feb.-Sep.	30 0 Mar.-Sep.	30 0 Mar.-Oct.	30 0 Mar.-Oct.	30 0 Mar.-Dec
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	35 0 to 40 0 ,,
Ghent—Light Seeds (,,)	37 0 to 42 0 ,,	37 0 to 42 0 ,,	37 0 to 42 0 ,,	37 0 to 42 0 ,,	37 0 to 42 0 ,,	35 0 ,,	35 0 ,,	35 0 ,,	35 0 ,,	35 0 ,,	35 0 ,,
,, Cotton (,,)	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	45 0 ,,	40 0 to 45 0 ,,
Rotterdam—Light Seeds (,,)	....	....	....	....	....	....	....	....	....	....	....
,, Cotton (,,)	42 0 January.	40 0 January.	40 0 January.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 April.	40 0 April.
Hamburg—Light Seeds (,,)	....	....	....	....	....	....	....	....	....	....	....
,, Cotton (,,)	42 0 January.	40 0 January.	40 0 January.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 March.	40 0 April.	40 0 April.
Dunkirk—Light Seeds (,,)	32 0 to 37 0 Jan.-Apr.	32 0 to 37 0 Jan.-Apr.	32 0 to 37 0 Jan.-May	32 0 to 37 0 Feb.-May	32 0 to 37 0 Feb.-May	30 0 May-Sep.	30 0 Feb.-Sep.	30 0 Mar.-Sep.	30 0 Mar.-Oct.	30 0 Mar.-Oct.	30 0 Mar.-Dec
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	35 0 to 40 0 ,,
Havre—Light Seeds (,,)	33 6 to 38 6 ,,	33 6 to 38 6 ,,	33 6 to 38 6 ,,	33 6 to 38 6 ,,	33 6 to 38 6 ,,	31 6 ,,	31 6 ,,	31 6 ,,	31 6 ,,	31 6 ,,	31 6 ,,
,, Cotton (,,)	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	41 6 ,,	36 6 to 41 6 ,,
Marseilles—Light Seeds (,,)	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	32 0 to 37 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,
,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	35 0 to 40 0 ,,
Barcelona—Light Seeds (,,)	....	....	....	....	....	....	....	....	....	....	....
,, Cotton (,,)	....	....	....	....	....	....	....	....	....	....	....
Genoa, Naples, Leghorn—Light Seeds (,,)	32 0 February.	33 0 February.	33 0 Jan.-Feb.	33 0 Feb.-Mar.	32 0 Feb.-Mar.	32 0 February.	32 0 Feb.-Mar.	32 0 March.	32 0 March.	30 0 March.	30 0 Apr.-May
,, ,, ,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 February.	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 Mar.-Apr
Trieste, Venice—Seeds (,,)	32 0 ,,	33 0 ,,	33 0 ,,	33 0 Feb.-Mar.	32 0 ,,	32 0 ,,	32 0 ,,	32 0 ,,	32 0 ,,	30 0 ,,	30 0 Apr.-May
,, ,, Cotton (,,)	40 0 ,,	40 0 ,,	40 0 ,,	40 0 February.	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 Mar.-Apr
New York—Seeds (12 cwts.) (,,)	23 0 Apr.-June	23 0 Apr.-June	....	....	....	....	33 0 April.	33 0 April.	33 0 April.	33 0 April.	33 0 April.
,, Cotton (,,)	45 0 ,,	45 0 ,,	....	....	....	....	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,
China Steamer (P. & O.) Cotton (per bale)	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.
Japan ,, (P. & O.) ,, (,,)	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,

eady.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
s. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
5 0	2 15 0	3 0 0	2 15 0	3 0 0	2 14 0	2 13 6	2 14 6	2 14 0	2 13 6	2 13 0	2 13 0	2 13 0	2 12 0	2 11 0
5 0	9 5 0	9 11 0	9 9 0	9 7 0	9 7 0	9 7 0	9 8 0	9 7 0	9 6 0	9 7 0	9 7 0	9 6 0	9 6 0	9 6 0
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
0 6	8 5 0	8 3 0	8 4 0	7 15 6	8 0 0	7 14 0	8 3 0	8 2 9	8 4 0	8 1 0	8 0 6	7 15 3	7 13 6	7 13 0
2 6	8 0 0	7 14 0	7 15 6	7 13 6	7 14 0	7 12 0	8 0 0	7 14 0	8 0 0	7 13 0	7 12 6	7 11 0	7 9 6	7 9 0
1 0	8 2 0	8 0 0	7 12 0	8 6 0	8 6 0	8 2 0	8 4 0	8 4 0	8 0 0	8 0 0	8 2 0	8 4 0	8 2 0	8 2 0
4 0 Nom.	7 4 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 6 0 Nom.	7 6 0 Nom.
4 0 ,,	7 4 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 8 0 ,,	7 6 0 ,,	7 6 0 ,,
0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 4 0 ,,	8 4 0 ,,	8 4 0 ,,	8 4 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	8 0 0 ,,	7 14 0 ,,	7 14 0 ,,
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
1 0	8 10 6	8 12 0	8 11 0	8 9 6	8 8 0	8 4 6	8 8 0	8 4 0	8 5 0	8 3 0	8 4 0	8 4 0	7 15 0	8 0 0
1 0 Nom.	6 1 0 Nom.	6 2 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 1 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	6 0 0 Nom.	5 4 0 Nom.	5 4 0 Nom.	5 12 0	5 8 0
8 6	7 8 0	7 10 0	7 8 0	7 8 0	7 5 0	7 6 6	7 6 0	7 6 0	7 6 0	7 6 0	7 6 0	7 6 0	7 3 0	7 3 0
1 0 Nom.	5 11 0 Nom.	5 15 0 Nom.	6 0 0 Nom.	5 14 6 Nom.	5 12 0 Nom.	5 7 0 Nom.	5 10 6 Nom.	5 12 0 Nom.	5 13 6 Nom.	5 12 0 Nom.	5 10 0 Nom.	5 8 6 Nom.	5 9 0 Nom.	5 9 6 Nom.
0 0 ,,	5 10 0 ,,	5 14 0 ,,	5 15 0 ,,	5 13 6 ,,	5 11 0 ,,	5 6 0 ,,	5 9 6 ,,	5 11 0 ,,	5 12 6 ,,	5 11 0 ,,	5 9 0 ,,	5 7 6 ,,	5 8 0 ,,	5 8 6 ,,
9 0 ,,	5 9 0 ,,	5 13 0 ,,	5 14 0 ,,	5 12 6 ,,	5 10 0 ,,	5 5 0 ,,	5 8 6 ,,	5 10 0 ,,	5 11 6 ,,	5 10 0 ,,	5 8 0 ,,	5 6 6 ,,	5 7 0 ,,	5 7 6 ,,
8 0 ,,	5 8 0 ,,	5 12 0 ,,	5 13 0 ,,	5 11 6 ,,	5 9 0 ,,	5 4 0 ,,	5 7 6 ,,	5 9 0 ,,	5 10 6 ,,	5 9 0 ,,	5 7 0 ,,	5 5 6 ,,	5 6 0 ,,	5 6 6 ,,
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
0 0 Nom.	6 15 0 Nom.	7 0 0 Nom.	6 15 0 Nom.	6 13 0 Nom.	6 15 0 Nom.	6 13 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	6 15 0 Nom.	6 14 0 Nom.	6 14 0 Nom.
11 0 ,,	6 10 0 ,,	6 11 0 ,,	6 10 0 ,,	6 8 0 ,,	6 10 0 ,,	6 11 0 ,,	6 11 0 ,,	6 11 0 ,,	6 11 0 ,,	6 11 0 ,,	6 11 0 ,,	6 10 0 ,,	6 9 0 ,,	6 9 0 ,,
6 0 ,,	6 5 0 ,,	6 6 0 ,,	6 5 0 ,,	6 3 0 ,,	6 5 0 ,,	6 6 0 ,,	6 6 0 ,,	6 6 0 ,,	6 6 0 ,,	6 6 0 ,,	6 6 0 ,,	6 5 0 ,,	6 4 0 ,,	6 4 0 ,,
14 0	5 15 0	6 0 0	6 2 0	6 0 0	5 13 0	5 9 0	5 11 0	5 9 0	5 11 0	5 9 0	5 10 0	5 6 0	5 5 0	5 5 6
12 0	5 13 0	5 14 0	6 0 0	5 14 0	5 11 0	5 7 0	5 9 0	5 7 0	5 9 0	5 8 0	5 4 0	5 4 0	5 3 0	5 3 6
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Steady.	Firm.	Firm.	Firm.	Steady.	Steady.	Quiet but steady.	Quiet.	Quiet, no business reported.	Quiet.	Quiet.	Quiet.	Dull.	Dull.	Dull.
d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
0 Mar.-Dec.	27 0 to	27 0 to	30 0 May	30 0 to	30 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to
	30 0 April to March 1938.	30 0 May		33 0 May	33 0 May.	33 0 May.	33 0 May.	33 0 May.	33 0 June.	33 0 June.	33 0 June.	33 0 June.	33 0 June.	33 0 July.
0 to	35 0 to	40 0 ,,	40 0 to	40 0 to	40 0 to	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	40 0 to	42 6 ,,
0 ,,	40 0 ,,		42 6 ,,	42 6 ,,	42 6 ,,								42 6 ,,	
0 ,,	27 0 to	27 0 to	30 0 ,,	30 0 to	30 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to
	30 0 ,,	30 0 ,,		33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,
0 to	35 0 to	40 0 ,,	40 0 to	40 0 to	40 0 to	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	40 0 to	42 6 ,,
0 ,,	40 0 April.		42 6 ,,	42 6 ,,	42 6 ,,								42 6 ,,	
0 March.	27 0 ,,	27 0 April.	27 0 April.	31 0 May-July	31 0 May-June	31 0 ,,	31 0 ,,	31 0 ,,	31 0 May.	33 0 ,,	33 0 ,,	31 0 July.	31 0 July.	30 0 ,,
0 ,,	37 6 ,,	35 0 ,,	35 0 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,
0 Mar.-Dec.	27 0 to	27 0 to	30 0 May.	30 0 to	30 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to
	30 0 Apr.-Mar.'38.	30 0 May.		33 0 May.	33 0 May.	33 0 ,,	33 0 ,,	33 0 ,,	33 0 June.	33 0 ,,	33 0 ,,	33 0 June.	33 0 June.	33 0 ,,
0 to	35 0 to	40 0 ,,	40 0 to	40 0 to	40 0 to	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	40 0 to	42 6 ,,
0 ,,	40 0 ,,		42 6 ,,	42 6 ,,	42 6 ,,								42 6 ,,	
0 ,,	32 0 to	32 0 to	35 0 ,,	35 0 to	35 0 to	36 0 to	36 0 to	36 0 to	36 0 to	36 0 to	36 0 to	36 0 to	36 0 to	36 0 to
	35 0 ,,	35 0 ,,		38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,	38 0 ,,
0 to	40 0 to	45 0 ,,	45 0 to	45 0 to	45 0 to	47 6 ,,	47 6 ,,	47 6 ,,	47 6 ,,	47 6 ,,	48 0 ,,	47 6 ,,	45 0 to	47 6 ,,
0 ,,	45 0 ,,		47 6 ,,	47 6 ,,	47 6 ,,								47 6 ,,	
....	....	....	30 0 July-Sep.	31 0 Aug.-Oct.	....	....	....	....	....	....	31 0 July.	30 0 July.	30 0 July.	30 0 ,,
0 April.	40 0 May-June	42 6 May.	42 6 ,,	42 6 July.	42 6 July.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,
....	....	....	30 0 ,,	31 0 Aug.-Oct.	....	....	....	....	....	....	31 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,
0 April.	40 0 May-June	42 6 May.	42 6 ,,	42 6 July.	42 6 July.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 July-Aug.	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,
0 Mar.-Dec.	27 0 to	27 0 to	30 0 May.	30 0 to	30 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to
	30 0 Apr.-Mar.'38.	30 0 May.		33 0 May.	33 0 May.	33 0 May.	33 0 May.	33 0 May.	33 0 June.	33 0 June.	33 0 June.	33 0 June.	33 0 June.	33 0 ,,
0 to	35 0 to	40 0 ,,	40 0 to	40 0 to	40 0 to	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	40 0 to	42 6 ,,
0 ,,	40 0 ,,		42 6 ,,	42 6 ,,	42 6 ,,								42 6 ,,	
6 ,,	28 6 to	28 6 to	31 6 ,,	31 6 to	31 6 to	32 6 to	32 6 to	32 6 to	32 6 to	32 6 to	32 6 to	32 6 to	32 6 to	32 6 to
	31 6 ,,	31 6 ,,		34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,	34 6 ,,
6 to	36 6 to	41 6 ,,	41 6 to	41 6 to	41 6 to	44 0 ,,	44 0 ,,	44 0 ,,	44 0 ,,	44 0 ,,	44 0 ,,	44 0 ,,	41 6 to	44 0 ,,
6 ,,	41 6 ,,		43 6 ,,	44 0 ,,	44 0 ,,								44 0 ,,	
0 ,,	27 0 to	27 0 to	30 0 ,,	30 0 to	30 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to	31 0 to
	30 0 ,,	30 0 ,,		33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,
0 to	35 0 to	40 0 ,,	40 0 to	40 0 to	40 0 to	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,	42 6 ,,
0 ,,	40 0 ,,		42 6 ,,	42 6 ,,	42 6 ,,									
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
0 Apr.-May	30 0 April.	28 0 April.	28 0 May-June	28 0 May-July	30 0 May-June	30 0 May.	30 0 May.	30 0 May.	30 0 May.	28 0 June.	28 0 June.	30 0 June.	30 0 June.	30 0 July.
0 Mar.-Apr.	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	42 6 ,,
0 Apr.-May	30 0 ,,	28 0 ,,	28 0 April.	28 0 April.	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,	28 0 ,,	28 0 ,,	30 0 ,,	30 0 ,,	30 0 ,,
0 Mar.-Apr.	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	40 0 ,,	42 6 ,,
0 April.	....	33 0 June-Sep.	....	33 0 May-July	33 0 July.	33 0 June.	33 0 June.	33 0 June.	33 0 June.	33 0 ,,	33 0 ,,	33 0 ,,	33 0 ,,	33 0 August.
0 ,,	50 0 April.	50 0 ,,	50 0 May-June	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	50 0 ,,	55 0 ,,
en 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.	Yen 4.72 Rdy.
en 4.73 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,	Yen 4.72 ,,

Current Quotations as estimated by the Committee of the

QUOTATIONS.	Week ending 2nd July 1937.	Week ending 9th July 1937.	Week ending 16th July 1937.	Week ending 23rd July 1937.	Week ending 30th July 1937.	Week ending 6th Aug. 1937.	Week ending 13th Aug. 1937.	Week ending 20th Aug. 1937.	Week ending 27th Aug. 1937.	Week ending 3rd Sept. 1937.	Week ending 10th Sept. 1937.	Week ending 17th 19
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Read
On England Bank Bills .. Telegraphic Transfer ..	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3
On England Bank Bills .. Sight ..	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3
On England Bank Bills .. 3 Months' „ ..	....	....	....	....	....	....	....	....	....	....	....	.
On England Bank Bills .. 4 „ „ ..	....	....	....	....	....	....	....	....	....	....	....	.
On England Bank Bills .. 6 „ „ ..	....	....	....	....	....	....	....	....	....	....	....	.
First Class Credits .. 3 Months' Sight ..	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7
First Class Credits .. 4 „ „ ..	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1
First Class Credits .. 6 „ „ ..	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9
French Francs, D/A. .. .. .. Sight ..	999	987	983	1,033	1,020	1,018	1,017	1,013	1,017	1,017	1,053	1,145
„ „ „ .. 3 Months' „ ..	1,020	1,007	1,003	1,054	1,040	1,038	1,037	1,030	1,033	1,033	1,073	1,170
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a.
Mercantile Bills 60 days' Sight, (Japan per 100 Yen) ..	76 2 0	76 2 0	76 2 0	76 2 0	76 2 0	76 2 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4
English Bar Gold (100 Touch per tola)	34 9 9	34 10 9	34 9 6	34 9 6	34 8 6	34 8 3	34 8 9	34 8 3	34 9 0	34 11 3	34 12 6	34 12
Sovereigns	22 0 0	21 15 0	21 15 3	21 15 3	21 15 9	21 15 9	22 1 0	22 2 9	22 2 0	22 3 0	22 2 3	22 3
Bar Silver .. .. .. Ready	51 14 0	52 4 6	51 13 0	51 9 6	52 1 6	51 14 6	51 12 0	51 12 0	50 8 0	50 13 0	51 10 0	51 7
Bar Silver .. .. .. Forward	52 1 0	52 7 6	52 0 0	51 12 0	52 5 0	52 0 6	51 14 0	51 14 0	50 11 0	51 0 0	51 11 0	51 8
RATES OF DISCOUNT.												
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per
Bank Rate of Interest on Demand Loans, on Government Securities	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Rate of Interest in the Open Market on Government Paper	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Money Market	Steady.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Q
GOVERNMENT SECURITIES.												
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs.
Three and a half per cent.	94 13 0	95 11 0	96 8 0	96 1 0	96 10 0	97 6 0	97 15 0	97 11 0	97 13 0	97 8 0	96 14 0 Nom.	96
Three per cent.	....	....	....	....	....	....	....	....	....	....	....	.
Four per cent., 1960/70	110 3 0	110 3 0	111 0 0	111 12 0	111 8 0	111 8 0	113 0 0	112 12 0	112 15 0	112 12 0	112 12 0	112
Five per cent., Tax Free, 1945/55	119 7 0	119 10 0	120 0 0	119 14 0	119 14 0	120 2 0	120 6 0	120 6 0	120 5 0	120 4 0	120 4 0	120
Memo of Government Paper enfaced for London ..	....	....	....	....	....	....	....	....	....	....	....	.
Government Paper enfaced from London for Bombay	24,800 0 0	10,300 0 0	....	83,100 0 0	2,400 0 0	....	....	11,300 0 0	25,200 0 0	8,600 0 0	51,700 0 0	.
IMPORTS.												
Piecegoods Market	Dull, very little enquiry.	Dull, very little enquiry.	Dull, very little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry	Dull, no enquiry.	Steady, little enquiry.	Firm, little enquiry.	Steady, little enquiry.	F good
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a.
Japanese Grey Shirtings, Peach, 36″ × 40 yards, (per piece)	11 0 0	11 0 0	11 0 0	11 0 0	11 2 0	11 2 0	11 0 0	11 0 0	11 0 0	11 2 0	11 2 0	11 4
Japanese White Shirtings, 800, 34″ × 42 yds. (per piece)	11 6 0	11 6 0	11 3 0	11 2 0	11 3 6	11 0 0	10 15 0	11 0 6	11 1 0	11 5 0	11 4 0	11 8
Japanese Grey Yarn, Five Stars 2/42s. (per lb.) ..	0 14 3	0 14 3	0 14 3	0 14 0	0 13 9	0 13 6	0 13 3	0 13 3	0 13 3	0 14 0	0 14 3	0 14
Copper Braziers in bundles .. .. (per cwt.)	52 0 0	57 0 0	56 4 0	54 4 0	54 0 0	56 0 0	54 0 0	56 0 0	54 0 0	52 0 0	52 0 0	53 0
Yellow Metal „ „ .. .. .. („)	40 8 0	41 0 0	41 8 0	42 0 0	42 0 0	42 0 0	45 0 0	45 0 0	44 0 0	44 8 0	43 0 0	43 0
Continental Basic Steel Bars .. .. („)	8 0 0	8 4 0	8 4 0	8 8 0	9 0 0	8 14 0	8 12 0	8 12 0	8 14 0	8 12 0	8 14 0	8 14
„ **Nail Rods** .. .. .. („)	8 8 0	9 0 0	9 4 0	10 0 0	9 8 0	9 12 0	9 8 0	9 8 0	9 10 0	9 6 0	10 0 0	9 14
Galvanized Corrugated Sheets .. .. („)	11 6 0	11 4 0	11 8 0	11 8 0	11 12 0	11 14 0	11 12 0	11 10 0	11 8 0	11 4 0	11 4 0	11 4
Sugar Ordinary Crystals Beet (per cwt. ex-godown).	....	....	....	....	....	....	....	....	....	....	....	.
Sugar Java White Granulated / T. M. O. Quality „	....	....	....	....	....	....	....	....	....	....	....	.
Sugar African .. .. „	....	....	....	....	....	....	....	....	....	....	....	.
Sugar Indian .. .. „	9 13 0 to 10 14 0	9 13 0 to 10 14 0	9 13 0 to 10 14 0	9 13 0 to 10 14 0	10 0 0 to 11 0 0	10 11 0	10 11 0	10 11 0	10 11 0	10 11 0	10 11 0	10 11
COAL.												
Indian Coal, F.O.R.—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a
Bengal Coal—												
Deshargarh (Selected Grade) F.O.R. (per ton)	5 0 0	5 0 0	5 4 0	5 4 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 12 0	6 8 0	6 8
Jheria („) „ („)	5 0 0	5 0 0	5 4 0	5 4 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 12 0	6 8 0	6 8
Jheria (Grade I) F.O.R. .. .. („)	4 4 0	4 4 0	4 4 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 12 0	5 8 0	5 8
Central Provinces (1st class) F.O.R. („)	5 0 0	5 4 0	5 0 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8
Foreign Coal, (C.I.F.)—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s.
Best Welsh all large .. .. (per ton)	....	....	....	....	....	....	....	....	....	....	....	.
„ „ ⅔ large and ⅓ small .. („)	....	....	....	....	....	....	....	....	....	....	....	.
„ Natal (African) .. .. („)	....	....	....	....	....	....	....	....	....	....	....	.
EXPORTS.												
Cotton Exports—												
(Fully pressed, per candy of 784 lbs.)												
Cotton Market	Weak.	Weak.	Weak.	Steady.	Weak.	Weak.	Steady.	Weak.	Weak.	Steady.	Weak.	W
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a
M. G. Bengals (Railway terms) .. .. ..F. G.	182 0 0 Spot.	181 0 0 Spot.	169 0 0 Spot.	168 0 0 Spot.	157 0 0 Spot.	155 0 0 Dec.-Jan. 1938.	148 0 0 Dec.-Jan. 1938.	148 0 0 Dec.-Jan. 1938.	144 0 0 Dec.-Jan. 1938.	145 0 0 Dec.-Jan. 1938	142 0 0 Dec.-Jan. 1938.	139 0
„ „ („) .. .. ..F. G.	181 0 0 July 1937.	173 0 0 Dec.-Jan. 1938.	168 0 0 July 1937.	167 0 0 July 1937.	153 0 0 Dec.-Jan. 1938.	....	....	....	....	....	....	.
„ „ („) .. .. ..F. G.	174 0 0 Dec.-Jan. 1938.	180 0 0 July 1937.	165 0 0 Dec.-Jan. 1938.	163 0 0 Dec.-Jan. 1938.	....	....	....	....	....	....	....	.
„ Oomras (Fair Staple) .. .. ..Fine.	212 0 0 Spot.	209 0 0 Spot.	202 0 0 Spot.	196 0 0 Spot.	186 0 0 Spot.	190 0 0 Dec.-Jan. 1938.	182 0 0 Dec.-Jan. 1938.	179 0 0 Dec.-Jan. 1938.	174 0 0 Dec.-Jan. 1938.	173 0 0 Dec.-Jan. 1938.	169 0 0 Dec.-Jan. 1938.	163 0
„ „ („) .. .. ..Fine.	211 0 0 July 1937.	209 0 0 July 1937.	202 0 0 July 1937.	196 0 0 July 1937.	186 0 0 Dec.-Jan. 1938.	....	....	....	....	....	....	.
„ „ („) .. .. ..Fine.	210 0 0 Dec.-Jan. 1938.	207 0 0 Dec.-Jan. 1938.	201 0 0 Dec.-Jan. 1938.	198 0 0 Dec.-Jan. 1938.	....	....	....	....	....	....	....	.
„ „ („) .. .. ..F. G.	....	....	....	....	....	....	....	....	....	....	....	.
„ Broach .. ..Fine.	....	....	....	....	....	....	....	....	....	....	....	.
„ „ .. ..F. G.	218 0 0 Spot.	216 0 0 Spot.	208 0 0 Spot.	207 0 0 Spot.	194 0 0 Spot.	195 0 0 Spot.	189 0 0 Spot.	185 0 0 Spot.	178 0 0 Spot.	177 0 0 Spot.	188 0 0 April-	183 0

the Bombay Chamber of Commerce during the year 1937—continued.

Week ending 17th Sept. 1937.	Week ending 24th Sept. 1937.	Week ending 1st Oct. 1937.	Week ending 8th Oct. 1937.	Week ending 15th Oct. 1937.	Week ending 22nd Oct. 1937.	Week ending 29th Oct. 1937.	Week ending 5th Nov. 1937.	Week ending 12th Nov. 1937.	Week ending 19th Nov. 1937.	Week ending 26th Nov. 1937.	Week ending 3rd Dec. 1937.	Week ending 10th Dec. 1937.	Week ending 17th Dec. 1937.	Week ending 23rd Dec. 1937.	Week ending 30th Dec. 1937.
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
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....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.
1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
1,145	1,120	1,140	1,170	1,129	1,118	1,128	1,129	1,125	1,127	1,123	1,122	1,122	1,131	1,127	1,130
1,176	1,143	1,165	1,195	1,150	1,140	1,150	1,155	1,143	1,144	1,140	1,138	1,138	1,148	1,143	1,152
100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
Rs. a. p. 76 4 0 34 12 0 22 3 0	Rs. a. p. 76 4 0 34 13 0 22 2 3	Rs. a. p. 76 4 0 34 12 3 22 3 3	Rs. a. p. 76 4 0 34 12 6 22 3 9	Rs. a. p. 76 4 0 34 11 3 22 3 9	Rs. a. p. 76 4 0 34 12 3 22 3 6	Rs. a. p. 76 4 0 34 11 9 22 4 0	Rs. a. p. 76 4 0 34 10 0 22 4 0	Rs. a. p. 76 4 0 34 9 3 22 4 9	Rs. a. p. 76 4 0 34 9 3 22 4 6	Rs. a. p. 76 4 0 34 9 3 22 6 0	Rs. a. p. 76 4 0 34 8 3 22 5 0	Rs. a. p. 76 4 0 34 8 0 22 5 3	Rs. a. p. 76 4 0 34 8 3 22 6 6	Rs. a. p. 76 4 0 34 7 3 22 6 6	Rs. a. p. 76 4 0 34 6 9 22 6 9
51 7 0 51 8 0	51 2 0 51 3 0	50 10 0 50 12 0	50 14 0 50 15 0	50 14 0 50 15 0	50 11 0 50 12 0	50 15 0 51 2 0	50 12 0 50 14 0	50 9 0 50 12 0	50 1 6 50 3 0	50 2 0 50 5 0	49 14 0 50 1 0	47 14 0 48 0 0	47 1 0 47 1 0	47 4 0 47 6 0	47 7 0 47 9 0
3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Quiet.	Quiet.	Quiet.	Steady.	Steady.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Very dull.	Very quiet.	Quiet.	Quiet.	Very quiet.	Steady.
Rs. a. p. 96 15 0	Rs. a. p. 97 1 0	Rs. a. p. 97 9 0	Rs. a. p. 98 12 0	Rs. a. p. 98 1 0	Rs. a. p. 98 1 0	Rs. a. p. 98 10 0	Rs. a. p. 98 14 0 Nominal.	Rs. a. p. 98 7 0	Rs. a. p. 98 13 0	Rs. a. p. 98 10 0	Rs. a. p. 98 12 0	Rs. a. p. 98 7 0	Rs. a. p. 98 1 0	Rs. a. p. 98 2 0	Stock Exchange closed. Quotations purely nominal.
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
112 12 0	113 0 0	113 2 0	113 11 0	113 8 0	113 8 0	113 14 0	113 12 0 Nominal.	113 13 0	114 2 0	113 14 0	113 14 0	113 14 0	113 10 0	114 0 0	
120 1 0	120 1 0	120 2 0	120 7 0	120 6 0	120 6 0	120 8 0	120 8 0 Nominal.	120 10 0	120 12 0	120 10 0	120 12 0	120 12 0	120 8 0	120 8 0	
....	1,000 0 0	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	6,000 0 0	....	7,500 0 0	....	16,300 0 0	55,000 0 0	....	....	13,300 0 0	....	....	25,500 0 0	14,600 0 0	....	....
Firm good enquiry.	Steady, little enquiry.	Steady, little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry.	Enquiry visible, but market selling rates going down.	Declining, little enquiry.	Steady, little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Very firm.	No change.	Quiet, very little demand.	Steady, little enquiry.	Steady, little enquiry.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
11 4 0	11 4 0	11 4 0	11 4 0	11 4 0	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)	(No stock.)
11 8 0 0 14 6	11 6 0 0 14 9	11 6 0 0 14 9	11 5 0 0 14 6	11 4 0 0 14 6	11 2 0 0 14 3	11 1 0 0 14 3	10 14 0 0 14 3	11 0 0 0 14 0	10 14 0 0 14 0	10 13 0 0 14 0	10 13 0 0 13 9	10 14 0 0 13 6	10 13 0 0 13 6	10 14 6 0 13 6	11 1 0 0 13 4½
53 0 0 45 0 0 8 14 0	51 0 0 44 8 0 9 0 0	47 0 0 42 8 0 9 2 0	47 8 0 42 8 0 9 0 0	46 0 0 42 0 0 9 0 0	45 0 0 41 0 0 8 14 0	46 0 0 41 8 0 8 14 0	44 4 0 40 0 0 8 12 0	43 0 0 40 0 0 8 14 0	44 0 0 39 0 0 9 2 0	42 0 0 39 0 0 9 2 0	42 8 0 39 8 0 9 2 0	43 0 0 40 8 0 9 2 0	43 8 0 39 8 0 9 2 0	43 8 0 39 8 0 9 0 0	43 0 0 39 0 0 9 0 0
9 14 0	10 0 0	10 4 0	10 0 0	10 0 0	10 0 0	9 12 0	9 12 0	9 12 0	9 12 0	9 12 0	10 0 0	10 2 0	10 2 0	10 0 0	10 0 0
11 4 0	11 10 0	12 0 0 .... 15 4 0	11 14 0	11 14 0	11 12 0 .... 15 5 0	11 10 0 .... 15 5 0	11 8 0 .... 15 5 0	11 10 0 .... 15 6 0	11 14 0 .... 15 10 0	12 0 0 .... 15 9 0	11 12 0 .... 15 10 0	11 10 0 .... 15 9 0	11 10 0 .... 15 10 0	12 0 0 .... 15 9 0	11 12 0 .... 15 9 0 ....
10 11 0	10 11 0	10 10 0	10 11 0	10 11 0	10 14 0 to 11 3 0	11 0 0 to 11 2 0	11 0 0 to 11 2 0	11 1 0 to 11 4 0	11 1 0 to 11 4 0	11 1 0 to 11 4 0	11 2 0 to 11 4 6	11 2 0 to 11 4 0	11 2 0 to 11 4 0	11 2 0 to 11 4 0	11 2 0 to 11 4 0
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
6 8 0 6 8 0 5 8 0 5 8 0	6 8 0 6 8 0 5 8 0 5 8 0	6 8 0 6 8 0 5 8 0 5 12 0	6 8 0 6 8 0 5 8 0 6 0 0	6 8 0 6 8 0 5 8 0 6 0 0	6 8 0 6 8 0 5 8 0 6 0 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 0 0 6 0 0	6 8 0 6 8 0 5 8 0 5 8 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 4 0 6 8 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 8 0 6 8 0	6 8 0 6 8 0 5 4 0 6 8 0
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
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Weak.	Weak.	Steady.	Steady.	Steady.	Steady.	Steady.	Weak.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Quiet.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
139 0 0 Dec.-Jan. 1938.	137 0 0 Dec.-Jan. 1938.	128 0 0 Dec.-Jan. 1938.	129 0 0 Dec.-Jan. 1938.	133 0 0 Dec.-Jan. 1938.	128 0 0 Dec.-Jan. 1938.	128 0 0 Dec.-Jan. 1938.	124 0 0 Dec.-Jan. 1938.	141 0 0 Spot.	137 0 0 Spot.	139 0 0 Spot.	131 0 0 Spot.	133 0 0 Spot.	134 0 0 Spot.	138 0 0 Spot.	134 0 0 Spot.
....	....	....	129 0 0 March 1938.	132 0 0 March 1938.	129 0 0 March 1938.	128 0 0 March 1938.	124 0 0 March 1938.	131 0 0 Dec.-Jan. 1938.	127 0 0 Dec.-Jan. 1938.	131 0 0 Dec.-Jan. 1938.	126 0 0 Dec.-Jan. 1938.	128 0 0 Dec.-Jan. 1938.	129 0 0 Dec.-Jan. 1938.	133 0 0 Dec.-Jan. 1938.	130 0 0 Dec.-Jan. 1938.
....	....	....	....	....	....	....	....	131 0 0 March 1938.	127 0 0 March 1938.	131 0 0 March 1938.	127 0 0 March 1938.	129 0 0 March 1938.	130 0 0 March 1938.	133 0 0 March 1938.	130 0 0 March 1938.
163 0 0 Dec.-Jan. 1938.	159 0 0	148 0 0 Dec.-Jan. 1938.	144 0 0 Dec.-Jan. 1938.	147 0 0 Dec.-Jan. 1938.	144 0 0 Dec.-Jan. 1938.	141 0 0 Dec.-Jan. 1938.	139 0 0 Dec.-Jan. 1938.	144 0 0 Dec.-Jan. 1938.	143 0 0 Dec.-Jan. 1938.	148 0 0 Dec.-Jan. 1938.	153 0 0 Spot.	153 0 0 Spot.	153 0 0 Spot.	159 0 0 Spot.	155 0 0 Spot.
....	....	....	146 0 0 March 1938.	148 0 0 March 1938.	146 0 0 March 1938.	142 0 0 March 1938.	140 0 0 March 1938.	145 0 0 March 1938.	143 0 0 March 1938.	148 0 0 March 1938.	147 0 0 Dec. Jan. 1938.	148 0 0 Dec.-Jan. 1938.	149 0 0 Dec.-Jan. 1938.	155 0 0 Dec.-Jan. 1938.	151 0 0 Dec.-Jan. 1938.
....	....	....	....	....	....	....	....	....	....	....	147 0 0 March 1938.	148 0 0 March 1938.	150 0 0 March 1938.	155 0 0 March 1938.	150 0 0 March 1938.
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183 0 0 April-	179 0 0 April-	168 0 0 April-	163 0 0 April-	165 0 0 April-	164 0 0 April-	161 0 0 April-	155 0 0 April-	161 0 0 April-	158 0 0 April-	164 0 0 April-	163 0 0 April-	165 0 0 April-	168 0 0 April	172 0 0 April	167 0 0 April-

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